

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

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

**JOINT STATEMENT OF STIPULATED FACTS REGARDING SWAP
TERMINATION LIABILITY IN ADVANCE OF JANUARY 3, 2014
HEARING**

For purposes of the Court’s consideration of the *Motion of Debtor for Entry of an Order (i) Authorizing the Assumption of that Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (ii) Approving Such Agreement Pursuant to Rule 9019, and (iii) Granting Related Relief* [Docket Nos. 17 and 157] and the *Motion to Use Cash Collateral or to Obtain Credit and Motion of the Debtor for a Final Order Pursuant to 11 U.S.C. §§ 105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay* [Doc. No. 1520] the parties submit this Joint Statement as a stipulation of certain facts in advance of the January 3, 2014 hearing. The following parties join this statement of facts: the City of Detroit; Financial Guaranty Insurance Company; Syncora Guarantee Inc. and Syncora Capital Assurance Inc.; Ambac Assurance Corporation; the Police and

Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit; Hypothekbank Frankfurt AG, Hypothekbank Frankfurt International S.A., and Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A.; FMS Wertmanagement Service GmbH as servicer to FMS Wertmanagement; and the Retiree Association Parties.

The parties stipulate as follows:

1. As of November 29, 2013, the total termination liability of the Swaps was approximately \$277,657,896.59.
2. As of December 23, 2013, the total termination liability of the Swaps was approximately \$256,000,000.
3. As of December 31, 2013, the total termination liability of the Swaps was approximately \$247,000,000.

Dated: January 2, 2014

Respectfully submitted,

KIRKLAND & ELLIS LLP

By: /s/ Stephen C. Hackney
James H.M. Sprayregen, P.C.
Ryan Blaine Bennett
Stephen C. Hackney
KIRKLAND & ELLIS LLP

300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

- and -

Stephen M. Gross
David A. Agay
Joshua Gadharf
MCDONALD HOPKINS PLC
39533 Woodward Avenue
Bloomfield Hills, MI 48304
Telephone: (248) 646-5070
Facsimile: (248) 646-5075

*Attorneys for Syncora Guarantee Inc. and
Syncora Capital Assurance Inc.*

David G. Heiman (OH 0038271)
Heather Lennox (OH 0059649)
JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
dgheiman@jonesday.com
hlennox@jonesday.com

Bruce Bennett (CA 105430)
JONES DAY
555 South Flower Street
Fiftieth Floor
Los Angeles, California 90071
Telephone: (213) 243-2382
Facsimile: (213) 243-2539
bbennett@jonesday.com

/s/ Deborah Kovsky-Apap
Robert S. Hertzberg (P30261)

Deborah Kovsky-Apap (P68258)
Pepper Hamilton LLP
4000 Town Center, Suite 1800
Southfield, MI 48075
(248) 359-7300 - Telephone
(248) 359-7700 - Fax
hertzbergr@pepperlaw.com
kovskyd@pepperlaw.com

ATTORNEYS FOR THE CITY

By: /s/Robert D. Gordon
Robert D. Gordon
Jennifer K. Green
Shannon L. Deeby
CLARK HILL PLC
151 South Old Woodward Avenue, Suite
200
Birmingham, MI 48009
Telephone: (248) 988-5882
Facsimile: (248) 988-2502
E-mail: rgordon@clarkhill.com

*Counsel to the Police and Fire Retirement
System of the City of Detroit and the
General Retirement System of the City of
Detroit*

By: /s/Thomas R. Morris
Thomas R. Morris
Karin F. Avery
SILVERMAN & MORRIS, P.L.L.C.
30500 Northwestern Highway, Suite 200
Farmington Hills, Michigan 48334
Telephone: (248) 539-1330
Facsimile: (248) 539-1355
E-mail: morris@silvermanmorris.com
E-mail: avery@silvermanmorris.com

-and-

LIPPITT O'KEEFE, PLLC

Brian D. O'Keefe

Ryan C. Plecha

370 East Maple Road, 3rd Floor

Birmingham, Michigan 48009

Telephone: (248); 646-8292

Facsimile: (248) 646-8375

E-mail: bokeefe@lippittokeefe.com

E-mail: rplecha@lippittokeefe.com

Attorneys for Retiree Association Parties

By: /s/ Howard S. Sher

Howard S. Sher

JACOB & WEINGARTEN, P.C.

Somerset Place

2301 W. Big Beaver Road, Suite 777

Troy, Michigan 48084

Telephone: (248) 649-1200

Facsimile: (248) 649-2920

E-mail: howard@jacobweingarten.com

-and-

Vincent J. Marriott, III

BALLARD SPAHR LLP

1735 Market Street, 51st Flr.

Philadelphia, PA 19103

Phone: 215.864.8236

Fax: 215.864.9762

Email: marriott@ballardspahr.com

-and-

Matthew G. Summers

BALLARD SPAHR LLP

919 North Market Street, 11th Floor

Wilmington, Delaware 19801

Telephone: (302) 252-4428

Facsimile: (410) 361-8930
E-mail: summersm@ballardspahr.com

*Attorneys for Hypothekbank Frankfurt
AG, Hypothekbank Frankfurt
International S.A., and Erste Europäische
Pfandbrief- und Kommunalkreditbank
Aktiengesellschaft in Luxemburg S.A.
(collectively "EPPK")*

By: /s/ Rick L. Frimmer
Rick L. Frimmer
Karen V. Newbury
Michael W. Ott
SCHIFF HARDIN, LLP
233 S. Wacker Drive, Suite 6600
Chicago, IL 60606
Telephone: (312) 258-5600
Facsimile: (312) 258-5600
E-mail: rfrimmer@schiffhardin.com
E-mail: knewbury@schiffhardin.com
E-mail: mott@schiffhardin.com

Attorneys for FMS Wertmanagement AöR

By: /s/ Mark R. James
Ernest J. Essad Jr.
Mark R. James
**WILLIAMS, WILLIAMS, RATTNER
& PLUNKETT, P.C.**
280 North Old Woodward Avenue, Suite
300
Birmingham, MI 48009
Telephone: (248) 642-0333
Facsimile: (248) 642-0856
E-mail: EJEssad@wwrplaw.com
E-mail: mrjames@wwrplaw.com

-and-

Alfredo R. Pérez
WEIL, GOTSHAL & MANGES LLP
700 Louisiana Street, Suite 1600
Houston, TX 77002
Telephone: (713) 546-5000
Facsimile: (713) 224-9511
E-mail: Alfredo.perez@weil.com

*Attorneys for Financial Guaranty
Insurance Company*

By: /s/ Carol Connor Cohen
Carol Connor Cohen
Caroline Turner English
ARENT FOX LLP
1717 K Street, NW
Washington, DC 20036-5342
Telephone: (202) 857-6054
E-mail: Carol.Cohen@arentfox.com

-and-

David L. Dubrow
Mark A. Angelov
ARENT FOX LLP
1675 Broadway
New York, NY 10019
Telephone: (212) 484-3900

-and-

SCHAFFER AND WEINER, PLLC
Daniel J. Weiner (P32010)
Brendan G. Best (P66370)
40950 Woodward Ave., Suite 100
Bloomfield Hills, MI 48304
Telephone: (248) 540-3340
E-mail: bbest@schaferandweiner.com
*Attorneys for Ambac
Assurance Corporation*