

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

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

**STIPULATION REGARDING PROPOSED ORDER
MODIFYING THE ORDER IDENTIFYING LEGAL ISSUES,
ESTABLISHING SUPPLEMENTAL BRIEFING SCHEDULE
AND SETTING HEARING DATES AND PROCEDURES [Docket No. 5235]**

The City of Detroit, Michigan (the "City") and the Bank of New York Mellon in its capacity as Custodian under (i) the Global Custody Agreement with the Policemen and Firemen Retirement System of the City of Detroit, (ii) the Global Custody Agreement with the General Retirement System of the City of Detroit and (iii) the Global Custody Agreement with The Board of Trustees of The City of Detroit Employees' Benefit Plan (in such capacity, "BNY Mellon" and, together with the City, the "Parties"), by and through each of their undersigned counsel, stipulate as follows:¹

¹ Capitalized terms not defined herein have the meanings given to them in the Plan.

1. On May 12, 2014, BNY Mellon filed a limited objection (Docket No. 4610) (the "BNY Mellon Objection") to confirmation of the Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 4392) (the "Plan"), objecting to, among other things, any release of claims of BNY Mellon against persons or entities other than the City.

2. On June 5, 2014, the Court entered the Order Identifying Legal Issues, Establishing Supplemental Briefing Schedule and Setting Hearing Dates and Procedures (Docket No. 5235) (the "Order Identifying Legal Issues"). Paragraph 11 of the Order Identifying Legal Issues identified the following issue ("Issue 11") as one that may be determinable as a matter of law: "Whether any claim of BNY Mellon as Custodian which is not a direct claim against the Debtor can be treated as a 'Claim' under the Plan and whether the Bankruptcy Code authorizes the Debtor to modify, release, discharge or enjoin claims of BNY Mellon as Custodian against third parties." Pursuant to the Order Identifying Legal Issues, briefs on the issues identified therein were due on June 30, 2014, and a hearing on Issue 11 is scheduled for July 16, 2014 at 2:30 p.m. Eastern Time. Order Identifying Legal Issues, at ¶¶ (a), (d).

3. In accordance with the Order Identifying Legal Issues, both the City (Docket No. 5707) and BNY Mellon (Docket No. 5669) filed briefs addressing, among other things, Issue 11.

4. The Parties have reached an agreement that resolves the BNY Mellon Objection. Specifically, the Parties have agreed that the City shall include the following language in any proposed order submitted to the Court confirming the Plan:

The Plan does not, and shall not be deemed to, modify, limit, release, discharge or enjoin any claims (a) related to the Retirement Systems that BNY Mellon in its capacity as custodian may have against persons or entities other than the City or (b) against property of the Retirement Systems held by BNY Mellon in its capacity as custodian.²

5. Having reached a consensual resolution regarding Issue 11 in the Order Identifying Legal Issues, the Parties submit that briefing and oral argument regarding Issue 11 is unnecessary, and respectfully request that the Court enter the proposed Order attached hereto as Exhibit 1, modifying the Order Identifying Legal Issues accordingly.

² The formatting and defined terms used in the language proposed to be included in any Confirmation Order may be modified as necessary or appropriate to conform to the remainder of the Confirmation Order.

Dated: July 14, 2014

/s/ Amy M. Tonti

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ATTORNEYS FOR THE CITY

EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
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**ORDER MODIFYING THE ORDER IDENTIFYING LEGAL
ISSUES, ESTABLISHING SUPPLEMENTAL BRIEFING SCHEDULE
AND SETTING HEARING DATES AND PROCEDURES [Docket No. 5235]**

This matter came before the Court on the Stipulation Regarding Proposed Order Modifying the Order Identifying Legal Issues, Establishing Supplemental Briefing Schedule and Setting Hearing Dates and Procedures [Docket No. 5235] (the "Stipulation"),¹ filed by the City of Detroit (the "City") and BNY Mellon; the Court having reviewed the Stipulation; the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court being fully advised in the premises;

¹ Capitalized terms not defined herein have the meanings given to them in the Stipulation.

IT IS HEREBY ORDERED THAT:

1. The Stipulation is APPROVED.
2. The issue identified in paragraph 11 of the Order Identifying Legal Issues ("Issue 11") is resolved. Accordingly, the Order Identifying Legal Issues is modified to delete paragraph 11.
3. The City shall include the language set forth in paragraph 4 of the Stipulation in any proposed order submitted to the Court confirming the Plan.
4. The Court will not hear arguments regarding Issue 11 at the hearing on legal issues scheduled for July 16 and 17, 2014.

CERTIFICATE OF SERVICE

I, Heather Lennox, hereby certify that the foregoing Stipulation Regarding Proposed Order Modifying the Order Identifying Legal Issues, Establishing Supplemental Briefing Schedule and Setting Hearing Dates and Procedures [Docket No. 5235] was filed and served via the Court's electronic case filing and noticing system on this 14th day of July, 2014.

/s/ Heather Lennox _____