

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

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

**STIPULATION CONCERNING THE CONDUCT OF THE PLAN
CONFIRMATION HEARING AND MODIFYING CERTAIN DEADLINES
ESTABLISHED IN THE EIGHTH AMENDED ORDER ESTABLISHING
PROCEDURES, DEADLINES, AND HEARING DATES RELATING TO
THE DEBTOR’S PLAN OF ADJUSTMENT [DOCKET NO. 6699]**

This Stipulation (the “Stipulation”) is made by and among (i) the City of Detroit, Michigan (the “City”); and (ii) Assured Guaranty Municipal Corp., National Public Finance Guarantee Corp.; Berkshire Hathaway Assurance Corp.; U.S. Bank National Association, as Trustee for the Water and Sewer Bonds; Nuveen Asset Management and BlackRock Financial Management, Inc., members of the Ad Hoc Bondholder Committee; and Fidelity Management & Research Company, Eaton Vance Management, and Franklin Advisers, Inc., members of the Ad Hoc Bondholder Committee (collectively, the “DWSD Financial Parties”, and together with the City, the “Parties”). By and through each of their undersigned

counsel, the Parties have reached an agreement with respect to, and request the entry of an order in the form of Exhibit A hereto approving, the following:

RECITALS

As of the date of this Stipulation, the City has reached an agreement in principle with certain of the DWSD Financial Parties regarding various matters in the *Corrected Fifth Amended Plan for the Adjustment of Debts of the City of Detroit (July 29, 2014)* [Docket No. 6379] (the “Current Plan”) which relate to the “DWSD Bonds” (as such term is defined in the Current Plan).¹ Nothing herein is intended to alter, amend, or expand this agreement in principle.

The Court’s Eighth Amended Order Establishing Procedures, Deadlines and Hearing Dates Relating to the Debtor’s Plan of Adjustment [Docket No 6699] (the “Scheduling Order”) in ¶ 4 thereof sets a deadline of August 20, 2014 for the City to file a sixth amended plan of adjustment (the “Sixth Amended Plan”). The City intends in the Sixth Amended Plan to address the aforementioned agreement in principle.

In light of the aforementioned agreement in principle, which involves a certain tender transaction (the “Tender Transaction”) that the parties anticipate will

¹ Capitalized terms used but not defined herein have the meanings ascribed to them in the Current Plan.

close on or before September 4, 2014, and the schedule for the Confirmation Hearing on the Sixth Amended Plan set by the Scheduling Order, the Parties have further agreed, subject to the Court's consent, that it would be advisable and productive to adopt certain procedures relating to the presentation of witnesses and evidence during the first few days of the Confirmation Hearing on the Sixth Amended Plan and to modify certain deadlines established by the Scheduling Order with respect to the DWSD Financial Parties, as set forth herein.²

STIPULATION

NOW, THEREFORE, it is hereby stipulated and agreed by and between the Parties, through their undersigned counsel, as follows:

- A. The City commits that it shall file a notice with the Court stating that the Tender Transaction (i) was not accepted, (ii) did not close, or (iii) has closed, and that it shall file such notice no later than the next business day after any of (i), (ii) or (iii) occurred or September 12, 2014, whichever is sooner.
- B. Until the City files the notice provided for in Section A:

² The provisions set forth herein are less extensive in scope and duration than those previously set forth in the *Stipulation Concerning the Conduct of the Plan Confirmation Hearing and Modifying Certain Deadlines Established in the Seventh Amended Order Establishing Procedures, Deadlines, and Hearing Dates Relating to the Debtor's Plan of Adjustment* [Docket No. 6560], that was previously filed on August 11, 2014.

1. Except as the Court may order, the City and the DWSD Financial Parties will not call any fact or expert witnesses to testify at the Confirmation Hearing, or otherwise present evidence, to address any issues relating in any way to the DWSD or its operations, finances, budgets, projections, capital expenditures or debt, or the Plan's proposed impairment of interest rates or call protection of DWSD Bonds (collectively, "DWSD Bond Issues") without the agreement of all parties. For the avoidance of doubt, issues relating to DWSD pension contributions under the Sixth Amended Plan shall be included within the meaning of DWSD Bond Issues, but the City will not be precluded, from calling witnesses or otherwise presenting evidence on the Class 10 and Class 11 claim amounts and any Sixth Amended Plan pension provisions other than DWSD pension contributions, or precluded from referring to and including arguments respecting DWSD pension contribution issues during its opening statement or in its pre-trial brief. Nothing in this Stipulation shall preclude any of the DWSD Financial Parties from objecting to the admissibility of such testimony by such witnesses called by the City or the admissibility of such evidence presented by the City.

2. To the extent there are any fact or expert witnesses that the City intends to call at the Confirmation Hearing whose testimony is intended to address both DWSD Bond Issues and other issues, the City shall defer calling such

witnesses until the earlier of September 12, 2014 or the circumstances set forth in Section C below.

3. The City and the DWSD Financial Parties shall defer addressing DWSD Bond Issues in opening statements at the start of the Confirmation Hearing, subject to their right to address DWSD Bond Issues in a supplemental or deferred opening statement at a later point during the Confirmation Hearing under the circumstances set forth in Section C below. For the avoidance of doubt, the City shall not be precluded from referring to and including arguments respecting DWSD pension contribution issues during its opening statement.

4. Notwithstanding anything contained in the Scheduling Order, the City and DWSD Financial Parties shall be permitted to defer filing any of the following, subject to their right to make such filings at a later time under the circumstances set forth in Section C below:

- a. evidentiary motions of any kind (including without limitation motions *in limine* and *Daubert* motions under Scheduling Order ¶ 6(b)) relating to DWSD Bond Issues or to witnesses who may address DWSD Bond Issues;
- b. reply briefs under Scheduling Order ¶ 7(d) to evidentiary motions of any kind (including without limitation motions *in*

limine and *Daubert* motions) relating to DWSD Bond Issues
or to witnesses who may address DWSD Bond Issues;

- c. the DWSD Financial Parties' pretrial briefs under Scheduling Order ¶ 7(b);
- d. that portion of the City's pretrial brief under Scheduling Order ¶ 7(b) that solely relates to the DWSD Bond Issues (other than the DWSD pension contribution issues);
- e. any response of the City to those supplemental objections filed by the DWSD Financial Parties on August 12, 2014;
and
- f. the briefs of the DWSD Financial Parties called for by Scheduling Order ¶¶ 1(a)-(b).

5. Previously-noticed depositions of expert witnesses who provided expert reports on behalf of the DWSD Financial Parties will remain adjourned, subject to the City's right to reschedule such depositions at a later time under the circumstances set forth in Section C below.

C. If at any time prior to the settlement date of the Tender Transaction the City files a notice with the Court stating that the Tender Transaction (i) was not accepted, or (ii) did not close, then:

1. The foregoing restrictions in Section B above on presenting witnesses or evidence on DWSD Bond Issues at the Confirmation Hearing shall cease to be in effect.
2. The City may reschedule and take within five (5) business days those previously-noticed depositions of expert witnesses who provided expert reports on behalf of the DWSD Financial Parties that had been adjourned and remained adjourned by virtue of ¶ B.5. above.
3. The Scheduling Order shall be amended to provide that the filings by the City and the DWSD Financial Parties that were deferred by ¶ B.4. above may be made within two (2) business days, and responses to any such filing by the City and the DWSD Financial Parties within five (5) business days, but in no event shall any such filing be due earlier than the date for such filing set forth in the Scheduling Order.
4. Nothing in this Stipulation shall be deemed to have waived, limited or prejudiced in any way (a) the right of any party to present any witness, evidence or argument during or in connection with the Confirmation Hearing that such party would have possessed absent this stipulation, or (b) the merits of any factual or legal argument made by such party during or in connection with the Confirmation Hearing.

Dated: August 19, 2014

Respectfully submitted,

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Exhibit A

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

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

**ORDER CONCERNING THE CONDUCT OF THE PLAN
CONFIRMATION HEARING AND MODIFYING CERTAIN DEADLINES
ESTABLISHED IN THE EIGHTH AMENDED ORDER ESTABLISHING
PROCEDURES, DEADLINES, AND HEARING DATES RELATING TO
THE DEBTOR’S PLAN OF ADJUSTMENT [Docket No. 6699]**

This matter having come to the Court upon the stipulation (the “Stipulation”) of (i) the City of Detroit, Michigan; and (ii) Assured Guaranty Municipal Corp., National Public Finance Guarantee Corp.; Berkshire Hathaway Assurance Corp.; U.S. Bank National Association, as Trustee for the Water and Sewer Bonds; Nuveen Asset Management and BlackRock Financial Management, Inc., members of the Ad Hoc Bondholder Committee; and Fidelity Management & Research Company, Eaton Vance Management, and Franklin Advisers, Inc., members of the Ad Hoc Bondholder Committee, and the Court being otherwise duly advised in the premises:

IT IS HEREBY ORDERD THAT:

1. The Stipulation is approved; and

2. The provisions of the Eighth Amended Order Establishing Procedures, Deadlines and Hearing Dates Relating to the Debtor's Plan of Adjustment [Docket No 6699] shall remain in full force and effect except as modified by the Stipulation.

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

In re:

Chapter 9

CITY OF DETROIT, MICHIGAN

Case No. 13-53846

Debtor.

Hon. Steven W. Rhodes

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of August 2014, I caused the *Stipulation Concerning the Conduct of the Plan Confirmation Hearing and Modifying Certain Deadlines Established in the Eighth Amended order Establishing Procedures, Deadlines, and Hearing Dates Relating to the Debtor's Plan of Adjustment [Docket No. 6699]* to be filed with the Clerk of the Court using the CM/ECF system, which provides electronic notification of such filing to all counsel of record.

Dated: New York, New York
August 19, 2014

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