

**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
)

***CORRECTED SYNCORA GUARANTEE INC. AND SYNCORA CAPITAL
ASSURANCE INC.’S NOTICE OF SETTLEMENT IN PRINCIPLE***

Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (together, “Syncora”) are pleased to confirm that a comprehensive settlement has been reached with the Debtor subject to definitive documentation and resolution of other terms and conditions currently under discussion in a manner reasonably acceptable to Syncora and the Debtor, which will be further described on the record at the hearing commencing September 15, 2014 at 8:30 a.m. (ET).

This outcome would not have been possible without the tireless efforts of the mediators. In that vein, Syncora and its counsel, Kirkland & Ellis LLP, want to use this opportunity to apologize to Chief Judge Gerald Rosen, the Chief Mediator, and again to Eugene Driker, who is also a mediator in this proceedings, for an important and regrettable error in Syncora’s Second Supplemental Objection to the Debtor’s Plan [Dkt. No. 6651], which we filed on August 12, 2014. That Objection should not have said or implied that there was a failure to disclose that

Mr. Driker's wife had an association with the Detroit Institute of Arts. In fact, Chief Judge Rosen himself had arranged for the disclosure of that information in an email that he (through his clerk) had sent us and other counsel in these proceedings on September 9, 2013. While we have already privately conveyed our apologies to Judge Rosen and the Drikers, the public nature of the mistaken claim demands both a formal withdrawal of that claim and, just as importantly, a public apology. We are deeply sorry for the mistake we made and for any unfounded aspersions it may have cast on Chief Judge Rosen and the Drikers.

We also want to note that we have learned many things over the last few weeks in our work with Chief Judge Rosen. We observed first-hand his remarkable skill as a mediator; his tenacity and perseverance under incredibly trying circumstances; and his great personal sacrifices, which included many long hours and making himself available at any time and on short notice. This was a herculean effort, and without Judge Rosen's steady hand and calm under pressure, the settlement would not have been achieved. The role of Chief Mediator is, in many ways, a thankless task. Here, in particular, the demands of this position have required great personal sacrifice not only by Judge Rosen, but also his family, who undoubtedly have shared in the stress and strain associated with Judge Rosen's labors. But this role is absolutely critical to the success of proceedings such as this, where the stakes and emotions are high and the issues are enormously

complex and contentious. Judge Rosen has done great service to the community, and we thank him for his willingness to assume this role and for providing the leadership that he has.

Dated: September 15, 2014

Respectfully submitted,

KIRKLAND & ELLIS LLP

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