

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

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In re	:	Chapter 9
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CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
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**STIPULATION FOR AN ORDER: (A) EXPUNGING  
PROOFS OF CLAIM NOS. 1120, 1136 AND 1197 FILED BY  
WILMINGTON TRUST, N.A.; (B) REDUCING PROOF OF CLAIM NO. 1138  
FILED BY WILMINGTON TRUST, N.A.; AND (C) PROVIDING  
FOR THE WITHDRAWAL WITH PREJUDICE OF (1) OBJECTIONS  
TO CONFIRMATION AND (2) RESPONSE TO THE REJECTION  
OF THE COPS SERVICE CONTRACTS, FILED BY WILMINGTON TRUST, N.A.**

The City of Detroit, Michigan (the "City"), and Wilmington Trust, National Association,<sup>1</sup> ("WTNA," and with the City, each a "Party" and, collectively, the "Parties"), by and through their respective undersigned counsel, hereby agree and stipulate (this "Stipulation") as follows:

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<sup>1</sup> Wilmington Trust, National Association, also serves as successor to U.S. Bank National Association ("U.S. Bank"), as: (a) Trustee ("Trustee") under that certain Trust Agreement, dated June 2, 2005, by and among the Detroit General Retirement System Service Corporation (the "GRS Corporation"), the Detroit Police and Fire Retirement System Service Corporation (the "PFRS Corporation"), and U.S. Bank, and as successor contract administrator ("Contract Administrator") under that certain Contract Administration Agreement, dated June 2, 2005, by and among the Detroit Retirement Systems Funding Trust (the "2005 Funding Trust"), the GRS Corporation, the PFRS Corporation, and U.S. Bank, regarding the issuance of Certificates of Participation Series 2005-A by the 2005 Funding Trust and the transactions contemplated thereby; and (b) Trustee under that certain Trust Agreement, dated June 12, 2006, by and among the GRS Corporation, the PFRS Corporation, and U.S. Bank, and as Contract Administrator under that certain Contract Administration Agreement, dated June 12, 2006, by and among the Detroit Retirement Systems Funding Trust 2006 (the "2006 Funding Trust," and together with the 2005 Funding Trust, the "Funding Trusts"), the GRS Corporation, the PFRS Corporation and U.S. Bank, in each case, regarding the issuance of Certificates of Participation Series 2006-A and 2006-B by the 2006 Funding Trust and the transactions contemplated thereby.

## RECITALS

**WHEREAS**, on July 18, 2013, the City filed a petition for relief under chapter 9 of title 11 of the United States Code, 11 U.S.C. §§ 101 – 1532 (the "Bankruptcy Code").

**WHEREAS**, on October 22, 2014, the City filed its *Eighth Amended Plan for the Adjustment of Debts of the City of Detroit* (Docket No. 8045) (as it may be amended, supplemented or modified, the "Plan").

**WHEREAS**, on February 19, 2014, WTNA, as contract administrator and trustee for the COPs, filed four proofs of claim against the City – claim numbers 1120, 1136, 1138 (collectively, the "WTNA COPs Proofs of Claim") and 1197 ("Claim 1197").

**WHEREAS**, Claim 1197 asserts amounts alleged to be due and owing in connection with the COP Litigation<sup>2</sup> and asserts, among other claims, (i) claims for charges, fees, expenses, and rights to indemnification alleged to have accrued pursuant to the 2005 COPs Agreement and the 2006 COPs Agreement (collectively, the "Funding Trust Agreements") and (ii) claims against the City arising from or relating to the COP Litigation.

**WHEREAS**, the WTNA COPs Proofs of Claim assert amounts alleged to be due and owing in connection with the 2005 COPs and the 2006 COPs. The WTNA COPs Proofs of Claim and Claim 1197 also assert amounts alleged to be due and owing for fees and expenses incurred in connection with the City's chapter 9 case, including fees and expenses alleged to have accrued pursuant to the Contract Administration Agreements and the Funding Trust Agreements.

**WHEREAS**, the WTNA COPs Proofs of Claim further assert amounts alleged to be due and owing on account of the City's contractual obligation to make Service Payments (as defined in the COP Service Contracts), through assignment, to the Detroit Retirement Systems Funding

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

Trust 2005 and the Detroit Retirement Systems Funding Trust 2006. *See* Funding Trust Agreements, § 201. The WTNA COPs Proofs of Claim assert amounts of no less than \$518,401,500.06 (Claim No. 1120), \$154,491,379.26 (Claim No. 1136), and \$803,702,214.66 (Claim No. 1138).

**WHEREAS**, WTNA has filed various objections and other pleadings (collectively, the "Plan Objections") opposing confirmation of the Plan. *See, e.g.*, Docket Nos. 4656, 5216, 6678, 7050, 7147, 7476 and 7603.

**WHEREAS**, the City seeks to reject the COP Service Contracts pursuant to section 365 of the Bankruptcy Code and Section II.D.6 of the Plan. *See* Plan, at § II.D.6, Exhibit II.D.6.

**WHEREAS**, on September 8, 2014, WTNA filed the *Response of Wilmington Trust, National Association, to Notice of Amended Executory Contracts and Unexpired Leases to Be Rejected Filed by the City of Detroit* (Docket No. 7340) (the "Wilmington Response").

**WHEREAS**, the City filed the *Reply to Response of Wilmington Trust, National Association, to Notice of Amended Executory Contracts and Unexpired Leases to Be Rejected Filed by the City of Detroit* (Docket No. 7997) (the "City's Reply") on October 17, 2014.

**WHEREAS**, on November 12, 2014, the Court entered the Order Confirming Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 8272), which, among other things, overruled the Plan Objections in their entirety.

**WHEREAS**, in connection with the foregoing matters, the Parties have agreed, subject to approval by the Bankruptcy Court, to the terms set forth in this Stipulation.

**NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED**, based upon the foregoing recitals, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, and intending to be legally bound hereby, subject only to Bankruptcy Court approval, as follows:

1. Upon entry of an order approving this Stipulation: (a) the amount of WTNA COPs Proofs of Claim number 1138 (the "Remaining Claim") shall be reduced to \$644,277.66; (b) the Remaining Claim shall be deemed (i) an Other Unsecured Claim within the meaning of Section I.A.262 of the Plan and (ii) classified in Class 14 under the Plan; (c) WTNA COPs Proofs of Claim numbers 1120 and 1136 shall be expunged; (d) the Wilmington Response and the City's Reply shall be deemed withdrawn with prejudice; and (e) Claim 1197 shall be expunged.

2. The Parties shall retain any and all of their respective rights with respect to the Remaining Claim, including but not limited to (a) the City's right to object to the Remaining Claim on any and all available grounds and (b) WTNA's right to assert any and all available defenses to any such objections.

3. Each Party and signatory to this Stipulation represents and warrants to each other Party hereto, that such Party or signatory has full power, authority and legal right and has obtained all approvals and consents necessary to execute, deliver and perform all actions required under this Stipulation.

4. No alteration, amendment or modification of the terms of this Stipulation shall be effective or binding upon any Party unless (a) made in writing and duly executed by all Parties or (b) effected pursuant to further order of the Bankruptcy Court.

5. The Parties acknowledge that nothing contained in this Stipulation shall constitute or be construed as an admission or adjudication, express or implied, of any liability whatsoever with respect to any claims that are the subject matter of this Stipulation, or any issue of fact, law or liability of any type or nature with respect to any matter whether or not referred to herein, and none of the Parties hereto has made any such admission. If this Stipulation is not approved by the Bankruptcy Court, it shall not be used or relied upon by any Party or any third-party for any purpose other than the enforcement of rights under this paragraph.

6. The Parties have participated jointly in the negotiation and drafting of this Stipulation. In the event an ambiguity or question of intent or interpretation arises with respect to this Stipulation, this Stipulation shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Stipulation.

7. This Stipulation may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies, electronic copies, or facsimiles signed by the Parties hereto.

8. The Parties therefore request that the Court enter the proposed Order attached hereto as Exhibit 1 approving this Stipulation.

*[Text Continued on the Following Page]*

Dated: November 21, 2014  
New York, New York

RESPECTFULLY SUBMITTED,

By: /s/ Heather Lennox  
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*Attorneys for the City*

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**ORDER: (A) EXPUNGING PROOFS OF CLAIM NOS. 1120, 1136 AND 1197  
FILED BY WILMINGTON TRUST, N.A.; (B) REDUCING PROOF OF CLAIM  
NO. 1138 FILED BY WILMINGTON TRUST, N.A.; AND (C) PROVIDING  
FOR THE WITHDRAWAL WITH PREJUDICE OF (1) OBJECTIONS  
TO CONFIRMATION AND (2) RESPONSE TO THE REJECTION  
OF THE COPS SERVICE CONTRACTS, FILED BY WILMINGTON TRUST, N.A.**

This matter came before the Court on the *Stipulation for an Order (A) Expunging Proofs of Claim Nos. 1120, 1136 and 1197 Filed by Wilmington Trust, N.A.; (B) Reducing Proof of Claim No. 1138 Filed by Wilmington Trust, N.A.; and (C) Providing for the Withdrawal With Prejudice of (1) Objections to Confirmation and (2) Response to the Rejection of the COPS Service Contracts, Filed By Wilmington Trust, N.A.* (the "Stipulation"), filed by the City of Detroit (the "City") and Wilmington Trust, National Association. The Court has reviewed the Stipulation and finds 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 (c) and the Court being fully advised in the premises:

IT IS HEREBY ORDERED THAT:

1. The Stipulation is APPROVED.

2. Upon the date hereof: (a) the amount of WTNA COPs Proofs of Claim number 1138 (the "Remaining Claim") shall be reduced to \$644,277.66; (b) the Remaining Claim shall be deemed (i) an Other Unsecured Claim within the meaning of Section I.A.262 of the Plan and (ii) classified in Class 14 under the Plan; (c) WTNA COPs Proofs of Claim numbers 1120 and 1136 shall be expunged; (d) the Wilmington Response and the City's Reply shall be deemed withdrawn with prejudice; and (e) Claim 1197 shall be expunged.

3. The Parties shall retain any and all of their respective rights with respect to the Remaining Claim, including but not limited to (a) the City's right to object to the Remaining Claim on any and all available grounds and (b) WTNA's right to assert any and all available defenses to any such objections.

Dated: \_\_\_\_\_

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Hon. Steven W. Rhodes



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Debtor.	:	Hon. Steven W. Rhodes
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**CERTIFICATE OF SERVICE**

I, Heather Lennox, hereby certify that the foregoing *Stipulation for an Order (A) Expunging Proofs of Claim Nos. 1120, 1136 and 1197 Filed by Wilmington Trust, N.A.; (B) Reducing Proof of Claim No. 1138 Filed by Wilmington Trust, N.A.; and (C) Providing for the Withdrawal With Prejudice of (1) Objections to Confirmation and (2) Response to the Rejection of the COPs Service Contracts, Filed By Wilmington Trust, N.A.* was filed and served via the Court's electronic case filing and noticing system on this 21st day of November, 2014.

/s/ Heather Lennox