UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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

STATEMENT OF MERRILL LYNCH CAPITAL SERVICES, INC. AND UBS AG IN SUPPORT OF DEBTOR'S MOTIONS FOR AN ORDER PURSUANT TO SECTION 365(a) OF THE BANKRUPTCY CODE AND RULE 9019, AND IN REPLY TO THE OBJECTIONS TO THE MOTION

BINGHAM McCUTCHEN LLP
399 Park Avenue
New York, New York 10022
Telephone: (212) 705-7000
Facsimile: (212) 702-5378

Attorneys for UBS AG

CADWALADER, WICKERSHAM & TAFT LLP
One World Financial Center
New York, New York 10281
Telephone: (212) 504-6000
Facsimile: (212) 504-6666

Attorneys for Merrill Lynch Capital Services, Inc.

WARNER NORCROSS & JUDD LLP
900 Fifth Third Center
111 Lyon Street NW
Grand Rapids, Michigan 49503
Telephone: (616) 752-2000
Facsimile: (616) 752-2500

Attorneys for Merrill Lynch Capital Services, Inc. and UBS AG

TABLE OF CONTENTS

PAGE

TABLE OF AUTHORITIES:

PAGE(S)

CASES:

PAGE(S)

PAGE(S)

PAGE(S)

PAGE(S)

PAGE(S)

STATUTES & OTHER AUTHORITIES:

PAGE(S)

PAGE(S)

Merrill Lynch Capital Services, Inc. ("Merrill Lynch") and UBS AG ("UBS" and, together with Merrill Lynch, the "Swap Counterparties"), respectfully submit this Statement in support of the motion of the City of Detroit (the "City"), dated July 24, 2013 (Dkt. No. 157), seeking entry of an Order: (i) authorizing the assumption of the Forbearance and Optional Termination Agreement pursuant to section 365(a) of the Bankruptcy Code (the "Assumption Motion") and (ii) approving the Forbearance and Optional Termination Agreement pursuant to Rule 9019 of the Federal Bankruptcy Rules of Procedure (the "Rule 9019 Motion" and, together with the Assumption Motion, the "Motions"), and in response to arguments made by the Objectors[1] to the Motions.

PRELIMINARY STATEMENT

On July 15, 2013, the Swap Counterparties and the City entered into a Forbearance and Optional Termination Agreement (as amended, the "FOTA")[2] which is the subject of the Motions. The FOTA arises from interest rate swap agreements (as amended in 2009, the "Swap Agreements" or the "Swaps")

---

[1] "Objectors" refers to parties that filed objections (the "Objections") to the Motions, including Syncora Guarantee, Inc. ("Syncora"), Financial Guaranty Insurance Co. ("FGIC"), Ambac Assurance Corp. ("Ambac"), EEPK Bank, DEPFA Bank PLC, Ad Hoc COP Holders, National Public Finance Guarantee Corp. ("NPFGC"), Assured Guaranty Municipal Corp. ("Assured"), the Detroit Police and Fire Retirement Systems ("PFRS"), Detroit General Retirement Systems ("GRS"), David Sole ("Sole"), the Retired Detroit Police & Fire Fighters Association, Detroit Retired City Employees Association and the Retired Detroit Police Members Association.

[2] Since signing the FOTA on July 15, 2013, the Swap Counterparties have agreed to multiple extensions of the date on which the City could terminate the FOTA under Section 1.3(l) thereof.

executed in 2006 to protect the City from the risk that interest rates would rise, thereby increasing the City's costs, under certain floating rate instruments issued to fund pension obligations.[3]

If the Swap Counterparties exercise their right under the safe harbor provisions of the Bankruptcy Code to terminate the Swap Agreements, they would be owed over $250 million. The Swap Counterparties' financial interests in the Swaps are secured by certain wagering taxes and developer payments periodically due to the City (the "Casino Revenues"), against which the Swap Counterparties currently hold a lien (the "Lien") pursuant to a City Ordinance and a written collateral agreement (the "Collateral Agreement") entered in 2009. As the Court has recognized, only the Swap Counterparties hold the Lien. See Aug. 28, 2013 Hr'g Tr. at 9:10-11, attached as Exhibit E. The Swap Counterparties received the Lien in 2009 in lieu of terminating the Swap Agreements, which, if terminated at the time, would have entitled the Swap Counterparties to a $300 to $400 million termination payment.

The FOTA provides the City with a pathway for unwinding the Swap Agreements and removing the Swap Counterparties' Lien, allowing the City access to the Casino Revenues which are essential to the City's post-petition financing and its continuing operations and rehabilitation. See City Mot. (Dkt. No. 157), Ex. 6 at 2-3, 11 (§§ 1.1-1.2, 3). If and when the termination occurs, the City will

---

[3] The original counterparties to the Swap Agreements were UBS and SBS Financial Products Company ("SBS"). Merrill Lynch served as credit support provider to SBS. On July 19, 2013, SBS assigned its rights and obligations under the Swap Agreements to Merrill Lynch.

no longer have any financial exposure arising from the Swap Agreements. See id. at 11 (§ 3.2). The FOTA also provides for the elimination of the Swap Insurers' future payment obligations under their policies insuring the Swaps.

In exchange for these benefits, the City agreed to forgo whatever challenges it could bring against the legality of the Swaps and validity of the Lien. Such claims—if litigated—would be meritless. The City's own lawyers—Lewis & Munday and Orrick Herrington & Sutcliffe—separately provided legal opinions confirming (i) the validity of the Lien (see Ex. F), and (ii) that the wagering taxes payable to the City constitute "special revenues." See Ex. G. The City also passed Detroit City Code § 18-16-8 (the "City Ordinance"), expressly granting the Lien on the Casino Revenues to secure the payments on the Swap Agreements. And the Michigan Gaming Control Board issued a letter finding no compliance issue with the pledge of the Casino Revenues. See City Mot., Ex. 5 at 200. Given the foregoing, there should be no question that the City's decision to enter the FOTA was a sound exercise of business judgment, and reflects a compromise of claims that falls well within the range of reasonableness.

The parties who have elected to object are simply using the pending Motions as a pretext for voicing global grievances with the City about the ultimate resolution of this case. This is perhaps best illustrated by Syncora and FGIC (together, the "Swap Insurers"), who provided financial guaranty insurance policies for the benefit of the Swap Counterparties.[4] The FOTA provides for the

[4] In addition to its objection, Syncora also filed an action in New York State Court against the Swap Counterparties on July 24, 2013, where it made many of the same arguments as in its objection. That action was removed from state court

complete elimination of the Swap Insurers' future payment obligations under their policies insuring the Swap Agreements, because the Swap Counterparties have expressly agreed not to make a claim against the Swap Insurers under the insurance policies. See City Mot., Ex. 6 at 12 (§ 3.2(c)). Insurers generally have to pay for a commutation, but the FOTA effectively commutes the Swap Insurers' obligations at no cost to them.

Notwithstanding this clear benefit, the Swap Insurers have filed objections based upon an alleged—but plainly non-existent—contractual "consent right" over any termination of the Swap Agreements. The Swap Insurers also purport to be harmed by the elimination of the hedge against rising interest rates that could increase their exposure on their COPs-related insurance policies, which Syncora admits, and this Court has ruled, are "separate" from its Swaps insurance policies. See Dkt. No. 1945 (Opinion Regarding Eligibility) at 12; Syncora Obj. ¶¶ 5, 13; Adv. Dkt. No. 20 at 4 n.1; see also FGIC Obj. (Dkt. No. 360) ¶¶ 4, 7. In its 52-page objection, Syncora fails to cite a single contractual provision that links the policy insuring the Swaps to the policy insuring the COPs. There are none. Rather than taking the benefit conferred on them by the FOTA and addressing any hedging concerns through the market, the Swap Insurers would apparently prefer to hold the Casino Revenues hostage.

The remaining Objectors hold claims against the City that are entirely unrelated to the Swap Agreements. They view the Casino Revenues—in which the

---

to federal court and was recently transferred to this Court. See Syncora Guarantee, Inc. v. UBS AG, et al., Adv. Proc. No. 13-05395 (the "Swap Counterparty Adversary").

Swap Counterparties, and only the Swap Counterparties, hold a lien—as a valuable asset that can improve their own recoveries at the expense of the Swap Counterparties and, ironically, at the expense of the Swap Insurers (who, but for the FOTA, would be obligated to pay the Swap Counterparties insurance on what they do not receive under the Swap Agreements). Each of the Objections lacks legal merit and, in any event, fails to provide any basis for this Court to deny either the Assumption Motion or the Rule 9019 Motion. Indeed, the conflicting positions taken by the Objectors on the validity of the Swaps and the Liens confirms the business judgment of the City to reach a global settlement.

ARGUMENT

A motion to assume an executory contract pursuant to section 365(a) of the Bankruptcy Code should be granted upon a showing that the debtor's decision to assume the contract reflects an exercise of sound business judgment. See In re Greektown Holdings, LLC, 2009 WL 1653461, at *1 (Bankr. E.D. Mich. May 13, 2009). In the context of objections to an assumption motion, the bankruptcy court has the power to adjudicate underlying contractual disputes, including whether a contract is enforceable. See, e.g., In re Diamond Mfg. Co., 164 B.R. 189, 202, 204 (Bankr. S.D. Ga. 1994); see also In re Lorax Corp., 307 B.R. 560, 566 n.13 (Bankr. N.D. Tex. 2004) (rejecting broad interpretation of In re Orion Pictures Corp., 4 F.3d 1095 (2d Cir. 1993), advocated by Objectors here as inconsistent with U.S. Supreme Court precedent).

Bankruptcy Rule 9019(a) permits a debtor to compromise and settle claims subject to approval by the bankruptcy court. A settlement should be

approved if it is fair and reasonable and in the best interests of the debtor's estate. See In re Bard, 49 F. App'x 528, 529 (6th Cir. 2002). In making this determination, the court should "canvass the issues and see whether the settlement 'fall[s] below the lowest point in the range of reasonableness.'" In re Bell & Beckwith, 87 B.R. 476, 479 (N.D. Ohio 1988) (quoting In re W.T. Grant Co., 699 F.2d 599, 608 (2d Cir. 1983)). Such an analysis involves estimating the objective value of the claims being compromised while accounting for the risk that the debtor would not be successful if it chose to litigate such claims. See In re High Tech Pkg'g, Inc., 397 B.R. 369, 371-73 (Bankr. N.D. Ohio 2008). Courts should approve settlements when they satisfy this standard even if the terms of the settlement adversely affect the interests of third parties. See In re Residential Cap. LLC, 497 B.R. 720, 735 (Bankr. S.D.N.Y. 2013) (approving settlement when securities investors' ability to sue trustees would be impaired); In re Madoff, 848 F. Supp. 2d 469, 489-91 (S.D.N.Y. 2012); In re Delta Air Lines, Inc., 374 B.R. 516, 527 (S.D.N.Y. 2007), aff'd, 309 F. App'x 455 (2d Cir. 2009) (Summary Order).

None of the Objectors' arguments should deter the Court from granting the Motions. Before entering the FOTA, the City considered each of these issues and, in a sound exercise of its business judgment, decided to enter the FOTA. See Declaration of Kevyn Orr, dated July 18, 2013 (Dkt. No. 11) ¶¶ 87-103, 111; Deposition Transcript of Kevyn Orr, dated Aug. 30, 2013, at 22:3-25:8, 36:20-37:13, attached as Exhibit M; see also City Mot. ¶ 47. The City determined that the FOTA represented a fair and reasonable compromise of any claims that it

may hold against the Swap Counterparties arising out of the Swaps and the Collateral Agreement.

I. THE SWAP INSURERS HAVE NO "CONSENT RIGHTS" UNDER THE RELEVANT PROVISIONS OF THE SWAP AGREEMENTS

The Swap Insurers assert that they hold the right to consent to any early termination of the Swap Agreements. See Syncora Obj. (Dkt. No. 366) ¶¶ 2, 79, 102-05, 129-34; FGIC Obj. ¶ 23. They also assert that they will not consent to the early termination of the Swaps, and argue that allowing the City to assume the FOTA will, therefore, not provide the City with the ability to obtain a termination of the Swaps and release the lien on the Casino Revenues. Finally, the Swap Insurers contend that the FOTA constitutes an unauthorized amendment of the Swaps and Collateral Agreement. See Syncora Obj. ¶¶ 2, 5, 21, 27, 104; FGIC Obj. ¶ 23. The Swap Insurers' arguments are contrary to the plain language of the Swap Agreements.

A. The Swap Counterparties Hold A Clear And Unambiguous "Optional Early Termination" Right That They Intend To Invoke In Connection With The FOTA

On their face, the Swap Agreements flatly contradict Syncora's claim that it possesses the unconditional right, in all circumstances, to consent to an early termination. Part 5(xx) (in the case of UBS) and Part 5(t) (in the case of Merrill Lynch) of the Amended Schedules[5] provided the Swap Counterparties—and only

[5] The Swaps are each comprised of a Master ISDA Agreement and an Amended Schedule. See Exs. A-D. The Swaps pertaining to UBS and the Swaps pertaining to Merrill Lynch are identical in all respects material to the Motions. For instance, Parts 5(i), (ii), (iv), (v), and (xx) of the UBS Amended Schedules are materially identical to Parts 5(a), (b), (f), (g), and (t), respectively, of the Merrill

the Swap Counterparties—with a unilateral "Optional Early Termination" right that can be exercised without the consent of the Swap Insurers:

> ***Optional Early Termination.*** [The Swap Counterparty] shall have the right to terminate one or more Transactions hereunder, either in whole or in part, on any Business Day . . . by providing at least five (5) Business Days' prior written notice to [the Service Corporation] of its election to terminate and its designation of the effective date of termination . . . . *For the avoidance of doubt, in no event will [the Service Corporation] owe any amount to [the Swap Counterparty] in connection with an election by [the Swap Counterparty] to exercise its option under this Part 5(xx)*, other than any Unpaid Amounts

Ex. B at 24-25 (Part 5(xx)) (emphasis added).[6] The FOTA contemplates the Swap Counterparties invoking these Optional Early Termination rights that they bargained for when the Swaps were amended in 2009 with the approval of the Swap Insurers.

The Optional Early Termination provisions of the Swap Agreements are clear and unambiguous.[7] Nowhere do the Optional Early Termination

---

Lynch Amended Schedules. Compare Exs. B, D. For simplicity, this statement will cite only to the Swaps pertaining to UBS, but incorporates the corresponding provisions in the Swaps pertaining to Merrill Lynch as if fully cited herein. The relevant provisions of the Swaps, the FOTA, and the Collateral Agreement are set forth in the attached Appendix.

[6] Hereafter, such provisions are referred to as the "Optional Early Termination" provisions of the Swap Agreements.

[7] See Beal Sav. Bank v. Sommer, 865 N.E.2d 1210, 1213-14 (N.Y. 2007); Greenfield v. Philles Records, Inc., 780 N.E.2d 166, 170-71 (N.Y. 2002); Breed v. Ins. Co. of N. Am., 385 N.E.2d 1280, 1282 (N.Y. 1978) (contract is unambiguous if its language has "a definite and precise meaning, unattended by danger of

provisions mention Swap Insurer consent. This is in contrast to other termination mechanisms found in the Swaps (hereafter, the "Remedy Provisions"), which, unlike the Optional Early Termination provisions, require an event of default to exist before the Swap Counterparties can elect to terminate the Swaps early. See, e.g., Ex. A at 6 (§ 6(a)); Ex. C at 6 (§ 6(a)). Indeed, when the Swaps were amended in 2009, eleven specific termination events were added to the Remedy Provisions of the Swap Agreements and expressly made subject to Swap Insurer consent. See, e.g., Ex. B at 3-5 (Part 1(i)(ii)). Similarly, the parties made the consent of the Swap Insurers a requirement if the Service Corporations elect to replace or terminate the Swaps. See, e.g., Ex. H at Exs. E-H; Ex. I at Exs. E-H.[8]

Accordingly, the parties plainly knew how to provide for Swap Insurer consent when they wanted to. The omission of any Swap Insurer consent right in the Optional Termination Provisions is dispositive. See In re Coudert Bros., 487 B.R. 375, 389 (S.D.N.Y. 2013) ("court[s] should accord contractual language its plain meaning giving due consideration to the surrounding circumstances and apparent purpose which the parties sought to accomplish") (internal quotations omitted); Vt. Teddy Bear Co. v. 538 Madison Realty Co., 807 N.E.2d 876, 879 (N.Y. 2004) ("'courts should be extremely reluctant to interpret

---

misconception . . . and concerning which there is no reasonable basis for a difference of opinion").

[8] FGIC asserts that because the City informs the Swap Counterparties when it is ready for them to exercise their optional termination, this constitutes a termination by the Service Corporations, requiring insurer consent. See FGIC Obj. ¶¶ 21-23. Not only are the terminating parties clearly the Swap Counterparties, but the Service Corporations are not involved at all—they send no notices and make no payments.

an agreement as impliedly stating something which the parties have neglected to specifically include'") (citation omitted); United States Fid. & Guar. Co. v. Annunziata, 492 N.E.2d 1206, 1208 (N.Y. 1986) (holding that where a specific right is included in one provision but omitted from another provision in the same contract, such omission "must be assumed to have been intentional under accepted canons of contract construction"); Triple Z Postal Servs., Inc. v. United Parcel Serv., Inc., 2006 WL 3393259, at *7 (Sup. Ct. N.Y. Co. Nov. 24, 2006) (same). "[W]hen parties set down their agreement in a clear, complete document, their writing should as a rule be enforced according to its terms." Ashwood Capital, Inc. v. OTG Mgmt., Inc., 948 N.Y.S.2d 292, 297 (App. Div. 1st Dep't 2012) (citation omitted). This rule applies "with even greater force in commercial contracts negotiated at arm's length by sophisticated, counseled businesspeople." Id.

B. The Swap Insurers' Objections Are Without Merit

The Swap Insurers have not offered an alternative reading of the Optional Early Termination provisions of the Amended Schedule. Instead, they erroneously argue that, notwithstanding the Optional Early Termination provisions' plain language to the contrary, the Swap Counterparties cannot invoke those provisions unilaterally.

1. The FOTA Relies On The Optional Early Termination Provisions, Not The Early Termination Date Provisions

Syncora asserts that Part 5(i) of the Amended Schedule provides the Swap Insurers with the right to consent to **any** early termination, including a termination under the Optional Early Termination provisions, if an uncured event

of default exists under the Swaps. See Syncora Obj. ¶¶ 5, 29, 104. This ignores material differences between the Optional Early Termination provisions and the Remedy Provisions. Part 5(i), which provides for Syncora's consent in certain circumstances, applies only to a termination resulting from the Swap Counterparties declaring an Early Termination Date pursuant to the Remedy Provisions based on an Event of Default or Termination Event. See, e.g., Ex. B at 19 (Part 5(i)); Ex. A at 6 (§ 6). Although such events exist, including the filing of the chapter 9 petition by the City, the FOTA does **not** provide for the declaration of an Early Termination Date. The FOTA relies instead on the Optional Early Termination provisions, which establish a totally distinct path to termination.

This conclusion is confirmed by the text of the Optional Early Termination provisions, which clearly distinguish between an Optional Early Termination and an Early Termination Date set in accordance with the Remedy Provisions. The Optional Early Termination provisions discuss how to calculate "the amount payable" in the event that the Swap Counterparties owe the City a payment upon exercising their rights thereunder. In doing so, the Optional Early Termination provisions refer to calculating a termination payment in accordance with the Remedy Provisions "**as if**" the "Optional Early Termination Date" was an "Early Termination Date." See Ex. B at 24 (Part 5(xx)) (emphasis added). The words "as if" and, indeed, the entire cross-reference to the Remedy Provisions would be superfluous if, as the Swap Insurers argue, the parties did not intend Optional Early Termination to be different from Early Termination. However, a correct reading of a contract should not render any of its terms meaningless.

See Beal Sav. Bank, 865 N.E.2d at 1213-14; Ferrari v. Iona Coll., 943 N.Y.S.2d 526, 527 (App. Div. 1st Dep't 2012).

In the face of the plain language of the Swaps, Syncora attempts to import a "consent right" by arguing that an "Optional Early Termination Date" and an "Early Termination Date" should be treated the same for all purposes. See Syncora Obj. ¶ 104; Adv. Dkt. No. 32-3 at 20-21. In particular, Syncora argues that "as if" reflects the parties' intention to equate the two separately defined terms and treat them identically. See Adv. Dkt. No. 32-3 at 20-21. From this premise, Syncora argues that it should have a "consent right" with respect to the setting of Optional Early Termination Dates just as it was given the conditional right to consent to setting Early Termination Dates.

Syncora's argument is hopelessly flawed for several reasons. First, as set forth above, there would be no need for the parties to have two separately defined terms—Optional Early Termination Date and Early Termination Date—if, as Syncora argues, they are the same thing. Second, the phrase "as if" in Part 5(xx) plainly does not apply to the entirety of Part 5(xx), but only modifies the method for calculating "Unpaid Amounts" that could be owed by the Swap Counterparties (i.e., "Party A" under the Swaps), to the Service Corporations (i.e., "Party B" under the Swaps).

Third, Syncora's interpretation of Part 5(xx) cannot be reconciled with Part 5(i). Part 5(i) provides the Swap Counterparties and Service Corporations with termination rights upon the occurrence of Events of Default and certain Termination Events. See Ex. B at 19 (Part 5(i)). However, Part 5(i) clearly limits any "consent rights" that the Swap Insurers may have to situations where the Swap

Counterparties or the Service Corporations "designate an Early Termination Date pursuant to Section 6 of this Agreement." Id. The parties did not include the designation of an Optional Early Termination Date as one of the events requiring insurer consent in Part 5(i). They surely could have. The omission of such a reference must be given effect. See Vt. Teddy Bear, 807 N.E.2d at 879 ("'courts should be extremely reluctant to interpret an agreement as impliedly stating something which the parties have neglected to specifically include'"); United States Fid. & Guar., 492 N.E.2d at 1208 (holding that where a specific right is included in one provision but omitted from another provision in the same contract, such omission "must be assumed to have been intentional under accepted canons of contract construction").

2. The Swap Insurers Lost Any Purported "Consent Rights" When They Were Downgraded

Apart from the fact that the Swap Insurers have no "consent rights" in an Optional Early Termination under Part 5(xx), the Swap Insurers lost their "consent rights" when they failed to maintain required minimum credit ratings. See Ex. B at 19 (Part 5(ii)(b)). The Swap Insurers do not argue that they have maintained the requisite credit rating. See Ex. L at 7 n.4; FGIC Obj. ¶ 8.[9] Rather, in the Swap Counterparty Adversary, Syncora, without citing any applicable provisions, has claimed that such downgrade is immaterial. See Adv. Dkt. No. 20 at 16-17; Adv. Dkt. No. 32-3 at 23-25. This interpretation, put forward without

[9] In March 2009, Moody's downgraded Syncora's ratings to Ca and FGIC's ratings to Caa3. See Moody's Downgrades Syncora Guarantee To Ca; Outlook Is Developing (Mar. 9, 2009), attached as Exhibit J; Moody's Downgrades FGIC To Caa3 And Will Withdraw Ratings (Mar. 24, 2009), attached as Exhibit K.

any citation of the actual contract language, contradicts both the plain language and the purpose of Parts 5(ii)(b) and (c), the credit downgrade provisions.

The clear purpose of these provisions are for the Swap Insurers' "consent rights" to be lost when a Swap Insurer loses its rating. Thus, Part 5(i) provides that the Swap Insurer has a "consent right" over a Section 6 termination based upon an Event of Default or Termination Event "other than the Additional Termination Events set forth in Part 5(ii) below." See Ex. B at 19 (Part 5(i)). One of the Additional Termination Events in Part 5(ii) occurs when "the Swap Insurer [i.e., Syncora] fails to have a claims paying ability of at least 'A-' from Moody's" **and** either an Event of Default or a Termination Event with respect to the Service Corporation has also occurred. Id. at 19 (Part 5(ii)).

Syncora's assertion that it retains its "consent rights" any time that an Event of Default with respect to the Service Corporation occurs, regardless of whether it has lost its rating, is simply incompatible with Parts 5(ii)(b) and (c), which expressly include an Event of Default with respect to the Service Corporations as an event over which Syncora has no right of consent after its downgrade. Basic principles of contract interpretation require each provision in a contract to be given effect—as these must be. See Beal Sav. Bank, 865 N.E.2d at 1213-14.

3. The 2006 CAA Does Not Give The Swap Insurers "Consent Rights"

Syncora also asserts that Section 6.9.2 of the 2006 Contract Administration Agreement (the "2006 CAA") trumps the Optional Early Termination provisions of the Amended Schedule by providing the Swap Insurers

with the right to issue directions to the Swap Counterparties concerning various things, including whether to terminate the Swaps early. See Syncora Obj. ¶ 103.

As an initial matter, Syncora's argument fails to account for the fact that Part 5(xx) was added to the Swaps in 2009. New York law follows the "common (and commonsensical) rule that a specific provision . . . governs the circumstance to which it is directed, even in the face of a more general provision." Capital Ventures Int'l v. Republic of Arg., 652 F.3d 266, 271 (2d Cir. 2011). Indeed, courts have found that "it is a fundamental rule of contract construction that 'specific terms and exact terms are given greater weight than general language.'" Aramony v. United Way of Am., 254 F.3d 403, 413 (2d Cir. 2001) (citation omitted). When, as here, a specific contractual right is added as part of an amendment or modification, it controls over any general provision in the modified contract that may be inconsistent. See Muzak Corp. v. Hotel Taft Corp., 133 N.E.2d 688, 690 (N.Y. 1956) (new provision "which is made a part of the modification agreement controls over the general termination provision" in the preexisting agreement). Thus, a specific provision, like Part 5(xx), governs over a general provision, especially when the specific contractual provision is added later as part of an amendment.

Consistent with this well-settled contract construction principle, the parties made clear in the 2009 Collateral Agreement (which was entered contemporaneously with the 2009 amendment to the Swaps) that they were expressly amending all prior transactional documents, including the 2006 CAA. See Syncora Obj., Ex. 6 at 42 (§ 14.14). Syncora ignores all of this now. But, in 2009, the Swap Insurers expressly consented to the amendments. See Exs. H, I.

Syncora's reading of Section 6.9.2 also cannot be reconciled with Section 6.1 of the 2006 CAA, which provides: "For the avoidance of doubt, all parties to this Agreement shall be entitled to enforce their respective rights except as otherwise provided in Section 6.9 and Article VIII." See Syncora Obj., Ex. 4 at 14 (§ 6.1). This provision demonstrates that the parties intended to allow the Swap Counterparties to enforce their rights. Yet, under Syncora's reading of Section 6.9.2, the Swap Counterparties would have no rights or powers whatsoever, thereby impermissibly rendering Section 6.1 meaningless.

In addition, Syncora's incorrect reading of Section 6.9.2 improperly renders the various express consent provisions in the Swaps superfluous. Likewise, Syncora's incorrect reading of Section 6.9.2 impermissibly negates multiple provisions of the Collateral Agreement that provide both the Swap Counterparties and the City with numerous rights over the Casino Revenues that are **not** subject to Syncora's "consent."[10]

That the Swap Insurers did not intend to secure or retain broad "consent rights" in the 2009 amendments is confirmed by the Collateral Agreement. The Collateral Agreement integrates and expressly amends certain provisions of the Swaps, the Service Contracts, and the 2006 CAA. See Syncora

---

[10] In the Swap Counterparty Adversary and in its objection to the Assumption Motion, Syncora also misstates what Section 6.9.2(2) says. Purporting to quote and paraphrase Section 6.9.2, Syncora states that it has "the right to 'control all actions that may be taken' by the Banks in connection with the Swap Agreements." See Syncora Obj. ¶¶ 5, 21, 39, 63, 79, 103, 132; Adv. Dkt. No. 20 at 19; Adv. Dkt. No. 32-3 at 26. But Section 6.9.2(2) does not mention the Swaps. Instead it refers to actions to be taken "under this Agreement," i.e., under the 2006 CAA. Syncora Obj., Ex. 4 at 16 (§ 6.9.2).

Obj., Ex. 6 at 42 (§ 14.14). In doing so, the Collateral Agreement created a broad array of new rights, none of which, by their terms, require Syncora's consent. The City may, with the consent of the Swap Counterparties, but without the consent of Syncora:

- Modify the casino instructions (see Syncora Obj., Ex. 6 at 14 (§ 3.4)),
- Direct the Casino Revenues (id. at 16 (§ 5.1)),
- Approve junior liens (id. at 26 (§ 9.2)), and
- Consent to changes to the Development Agreement (id. at 27 (§ 9.6)).

The Swap Counterparties may, without the consent of Syncora:

- Approve agreements for payment of alternative taxes (id. at 28 (§ 10.4)),
- Exercise remedies as secured parties (id. at 29 (§ 11.2)),
- Seek mandamus to cure the City's failure to make sufficient appropriations (id. at 30 (§ 11.4)), and
- Replace and remove the Custodian (id. at 37 (§ 12.13)).

Thus, the Swap Insurers' reliance on the 2006 CAA is completely misplaced.[11]

4. The FOTA Does Not Amend Or Modify The Swaps

Next, Syncora asserts that the FOTA constitutes an unauthorized amendment of the Swaps, the 2006 CAA and the 2009 Collateral Agreement.

---

[11] FGIC, the other Swap Insurer, is unable to rely on Section 6.9.2, as it provides that "any Insurer **not then in default**" may control certain actions of a Swap Counterparty. See Syncora Obj., Ex. 4 at 16 (§ 6.9.2) (emphasis added). FGIC forfeited any control rights under Section 6.9.2 when it failed to make insurance payments under its COPs insurance policies in June 2013.

See, e.g., Syncora Obj. ¶¶ 5, 21, 27, 38-40.[12] The Swap Insurers further argue that Part 5(xx) forbids the Swap Counterparties from being paid "termination amounts when they terminate the Swap Agreements pursuant to that section." Adv. Dkt. No. 20 at 21-22; see also Syncora Obj. ¶¶ 2, 38, 105; FGIC Obj. ¶¶ 21-23. From this flawed premise, the Swap Insurers reason that the FOTA must be an amendment that they had to approve pursuant to Part 5(iv) because the FOTA contemplates the Swap Counterparties receiving a payment that Part 5(xx) prevents.[13] Adv. Dkt. No. 20 at 21-22; see also FGIC Obj. ¶ 23. The Swap Insurers are wrong.[14]

---

[12] Syncora also cites to provisions in the GRS Service Contract 2006 and the PFRS Service Contract 2006 (together, the "Service Contracts") as purported evidence that their consent is required before termination. See Syncora Obj. ¶¶ 19, 132-33. However, even if those provisions were applicable—which they are not—the Swap Counterparties are not parties to these Service Contracts. Thus, the Swap Insurers have no "consent rights" against the Swap Counterparties arising from the Service Contracts. See Ambac Obj. (Dkt. No. 348), Exs. 4, 5.

[13] In its motion for summary judgment, Syncora argues that Kevyn Orr, the City's Emergency Manager, "admitted" that the FOTA "modified" the Swaps without Syncora's consent in violation of Part 5(iv). See Adv. Dkt. No. 32-3 at 17. Mr. Orr made no such admissions; he merely confirmed that consummation of the settlement under the FOTA would have the "effect" of reducing the termination value of the Swaps. He clearly did not testify that the Swaps were amended or modified in the legal sense contemplated by Part 5(iv).

[14] Syncora relies on Empresas Cablevision, S.A.B. de C.V. v. JPMorgan Chase Bank, N.A., 680 F. Supp. 2d 625, 632 (S.D.N.Y. 2010), aff'd in part, remanded in part, 381 F. App'x 117 (2d Cir. 2010), a case where defendants sold a loan "outright" in violation of a prohibition on "assignments." See Adv. Dkt. No. 20 at 22. Here, the FOTA does not result in a prohibited outcome as it does not provide for a payment by the Service Corporations. The FOTA is fully consistent with the Swaps, which must be enforced strictly according to their terms. See MBIA Ins. Corp. v. Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., No. 09 Civ. 10093 (RJS), 2011 WL 1197634, at *12 (S.D.N.Y. Mar. 25, 2011) ("As recognized

The FOTA, like any forbearance agreement, does not amend or modify the Swap Agreements, the 2006 CAA or the Collateral Agreement in any way. See Beal Sav. Bank, 865 N.E.2d at 1217-18 (distinguishing a forbearance agreement from an amendment). Moreover, the FOTA expressly states that it is not amending or modifying the Swap Agreements. See City Mot., Ex. 6 at 7, 17 (§§ 2.1(a), 5).

It is true that the FOTA contemplates the City receiving a discount against the termination payment that the Service Corporations would owe if the Swap Counterparties terminated the Swaps on account of the commencement of the chapter 9 case. It is also true that the FOTA contemplates the Swap Counterparties releasing the lien they acquired pursuant to the Collateral Agreement and accompanying legislation. But neither the Swaps nor the Collateral Agreement had to be amended for the Swap Counterparties and the City to reach those agreements. To the contrary, all the Swap Counterparties and the City are doing through the FOTA is effecting a global settlement of issues relating

---

by a court in this District in rejecting an interpretation hinging on an 'opaquely' buried consequence, '[t]hese are carefully structured documents with intricately interwoven and balanced duties and rights. They spell out the parties' obligations in exquisite detail.") (quoting Coöperatieve Centrale Raiffeisen-Boerenleenbank, B.A. v. Brookville CDO I Ltd., 2008 WL 5170178, at *12 (S.D.N.Y. Dec. 10, 2008)); In re Allegiance Telecom, Inc., 356 B.R. 93, 102 (Bankr. S.D.N.Y. 2006) ("Adherence to the plain language . . . . of the APA, and the refusal to modify it to correct what might have been [plaintiff's] bad bargain or unilateral mistake is particularly appropriate given the parties' general commercial sophistication.").

to the Swap Agreements through the mechanism of an Optional Early Termination under the Optional Early Termination provisions.[15]

Syncora's entire amendment/modification argument is based on the manifestly incorrect premise that the Swap Agreements prohibit the Swap Counterparties from receiving a settlement payment from the City when Part 5(xx) termination rights are exercised. What the agreements actually say is that, in the event the Swap Counterparties send a notice of termination under Part 5(xx), the Service Corporations will not owe a termination payment.[16] The FOTA is completely consistent with this provision. The Swap Counterparties will neither demand nor receive a payment from the Service Corporations. The payment to be made will be by the City, as part of a global settlement of all outstanding issues between the City and the Swap Counterparties.[17]

---

[15] Certain of the Objectors also raise concerns related to the time in which the City can exercise its rights under the FOTA. See Assured Obj. (Dkt. No. 357) ¶¶ 5-6. These objections have effectively been mooted by the 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 (the "Financing Motion"). See Dkt. No. 1520.

[16] Part 5(xx) provides, in relevant part: "[f]or the avoidance of doubt, in no event will Party B [i.e., the Service Corporations] owe any amount to Party A in connection with an election by Party A to exercise its option under this Part 5(xx), other than any Unpaid Amounts[.]" See Ex. B at 25 (Part 5(xx)).

[17] In the Swap Counterparty Adversary, Syncora also quotes a statement by counsel for Merrill Lynch that the FOTA was intended to allow the City to obtain benefits and avoid the demands of Syncora by making payments to the Swap Counterparties. See Adv. Dkt. No. 32-3 at 18. However, this statement does not support Syncora's argument that the FOTA modifies the Swaps; rather, it merely described the nature of the global settlement of the Swaps.

Apart from the technical flaws in its amendment/modification argument, Syncora's position is without merit for another reason. Syncora's right to consent to an amendment or modification of the Swap Agreements protects Syncora from an amendment or modification over its objection when the change would adversely affect Syncora's liability as insurer of the Swap Agreements. Consummation of the FOTA, though, will actually result in the release of all Syncora (and FGIC) obligations under their Swap insurance policies. That result is totally consistent with the operation of Part 5(xx). The exercise by the Swap Counterparties of the termination rights under Part 5(xx) would eliminate any termination payments by the Service Corporations and, hence, any liability of the Swap Insurers under the Swap insurance policies.

That Syncora nevertheless argues that its consent is required for the exercise by the Swap Counterparties of Part 5(xx) terminations when its liability as insurer of the Swap Agreements would be eliminated indicates that Syncora's real motivation here is to serve its broader agenda. That broader agenda has no bearing on any of the rights and obligations that it bargained for as insurer of the Swap Agreements.

5. The FOTA Does Not Constitute A Sale, Assignment, Transfer Or Delegation Of Rights

The FOTA also does not constitute a sale, assignment, transfer or delegation of rights in violation of Part 5(v) of the Amended Schedule. Instead, the FOTA embodies a simple economic agreement: the Swap Counterparties are prepared to voluntarily terminate the Swap Agreements (and, thus forgo their current "in the money" position) in exchange for an agreed settlement payment

from the City. With the Swap Counterparties still facing the Service Corporations under the Swaps, the FOTA is neither an "assignment" nor a "transfer." See City Mot., Ex. 6 at 11, 13 (§§ 3.1, 3.5). Indeed, the City is only empowered to exercise its rights under the FOTA on a single occasion for a limited time-period, defined as the "Forbearance Period." See id. at 2, 6, 11 (§§ 1.1, 1.4, 3.2(a)).

That arrangement could have been put into effect earlier but for the City's need to raise the necessary funds. The FOTA provides the City with time to raise funds, and the Swap Counterparties agree, during this fund-raising period, to forbear from terminating the Swap Agreements, as they otherwise could have done. None of this involves a sale, assignment, transfer or delegation of any kind.

Thus, the Swap Counterparties have not "sold" any rights to the City pursuant to the FOTA. Under the FOTA, the Swap Counterparties expressly reserved all of their rights under the Swaps; the terms of the Swaps are unchanged, as are the parties to the Swaps. An assignment requires that the assignor transfer "the entire interest of the assignor in the particular subject of assignment" and the assignor must be "divested of all control over the thing assigned." Miller v. Wells Fargo Bank Int'l Corp., 540 F.2d 548, 558 (2d Cir. 1976) (quoting Coastal Commercial Corp. v. Samuel Kosoff & Sons, Inc., 199 N.Y.S.2d 852, 855 (N.Y. App. Div. 4th Dep't 1960)). That certainly did not happen here. The FOTA simply locks in, for a certain period of time, a decision that the Swap Counterparties are entitled to make under the Swap Agreements.

Similarly, there has been no delegation. A delegation enables the delegatee to perform an obligation or duty of the delegator for the benefit of the

delegator as his agent or representative.[18] The FOTA does not make the City an agent or representative of the Swap Counterparties, nor does it enable the City to perform any obligation or duty of the Swap Counterparties.

In the Swap Counterparty Adversary and the chapter 9 case, to support their assertion that a sale, assignment or delegation has occurred, the Swap Insurers seize upon the FOTA provision permitting the City to "direct" the Swap Counterparties to terminate. See Syncora Obj. ¶¶ 38, 39, 63; Adv. Dkt. No. 20 at 20; FGIC Obj. ¶¶ 21-23. The Swap Insurers thus confuse simple mechanics with the basic economic agreement. The "direction" is just a means for the City to signal that it has obtained the necessary funds and is ready to close. It has nothing to do with the substantive decision to effect a termination. The terminations of the Swap Agreements under Part 5(xx) remain terminations by the Swap Counterparties themselves.

6. The Swap Insurers And The COPs Holders Have Not Been Harmed By The FOTA

Syncora also asserts that the FOTA harms the Swap Insurers' economic interests by disrupting their hedging strategies related to the COPs. See Syncora Obj. ¶ 40. This assertion is highly dubious; if the Swaps are

---

[18] See The Compact Edition of the Oxford English Dictionary 157 (1971) ("to send or commission (a person) as a deputy or representative with power to transact business for another" or "[t]o entrust, commit or deliver (authority, a function, etc.) to another as an agent or deputy"); Oxford American Dictionary, Heald College Ed. (1980) (delegate: "to entrust (a task, power, or responsibility) to an agent"); The Law Dictionary, at http://thelawdictionary.org/delegation/ ("the intrusting another with a general power to act for the good of those who depute him"); The Free Dictionary, at http://www.thefreedictionary.com/delegate ("To authorize and send (another person) as one's representative").

terminated, Syncora can obtain a replacement hedge in the market. But whether or not Syncora will become unhedged is of no moment. If the Swap Insurers signed up to an agreement that left them exposed to the risk of their hedge being disrupted by an Optional Early Termination, then they have accepted the risk. They have to live with the documents they signed.

What is more, Syncora fails to cite a single contractual provision that links the policy insuring the Swaps to the policy insuring the COPs. There are none. To the contrary, each insurance policy is expressly limited to the separate indebtedness that it covers. See, e.g., FGIC Obj., Exs. J, P.[19] Neither policy contains any contractual right or right of subrogation whatsoever based on the other insurance policy or any other obligation or indebtedness. That is why the Collateral Agreement does not provide any benefit whatsoever to the COPs' holders, or to the Swap Insurers with respect to the COPs insurance policies.

Syncora also asserts that the FOTA contravenes the COPs holders' rights under the priority scheme established by certain Service Contracts to receive interest and principal payments ahead of swap termination payments. See Syncora Obj. ¶¶ 17, 39, 125. In its capacity as a COPs holder, Syncora argues that "Swaps termination payments are junior to the payment of the outstanding principal and interest on the COPs." Syncora Obj. ¶ 17 (emphasis in original); see also id. ¶ 125 (citing Section 8.03 of the Service Contracts). This is a red herring. Section 8.03, which is incorporated into the 2006 CAA by Section 4.8.1 only provides the

---

[19] Exhibits to the Declaration of Alfredo R. Pérez in Support of the Limited Objection of FGIC (Dkt. No. 360-1) are referred to as exhibits to the FGIC Objection.

priority scheme, or "waterfall," for the Service Payments prior to default. See Syncora Obj., Ex. 4 at 12 (§ 4.8.1). Section 4.8.2 of the 2006 CAA provides the post-default mechanism, which displaces the pre-default Section 8.03 "waterfall" incorporated into Section 4.8.1. See id. (§ 4.8.2) (applying "upon the occurrence of a payment default"). Because the Service Corporations have failed to pay the COPs, Section 4.8.2 of the 2006 CAA is the governing provision—not Section 8.03 of the Service Contracts—and it contains no analogous priority scheme.

Even if Section 8.03 of the Service Contracts did apply, this section subordinates "hedge termination payables," which is defined in relevant part as a "termination payment owing by the [service] corporation." Ambac Obj. (Dkt. No. 348), Ex. 4 § 1.01 (GRS); id. Ex. 5 § 1.01 (PFRS). Since the Counterparties are exercising their Optional Early Termination rights under the FOTA, the Service Corporations will not owe any amount to the Swap Counterparty. There will be no "termination payment owing by the [service] corporations" or Hedge Termination Payable to subordinate under Section 8.03. Rather, the payment that is contemplated by the FOTA is a settlement payment by the City (not the Service Corporations), which provides incentive to the Swap Counterparties to exercise their Optional Early Termination rights under the Optional Early Termination provisions of the Amended Schedule.

Last, but hardly least, the FOTA expressly provides that, upon the Swap Counterparties receiving the settlement payment from the City, the Service Corporations are discharged from all obligations under the Swaps. Thus, there can never be any termination payment—or any other payment—owing by the Service

Corporations. As a result, Section 8.03 is clearly not applicable to the settlement payment under the FOTA.

C. The Swap Insurers Purported "Consent Rights" Should Be Adjudicated In Connection With The Assumption Motion, The Rule 9019 Motion And The Financing Motion

As demonstrated above, the Swap Insurers' objections are without merit as they do not have any "consent rights." However, if the Assumption Motion, the Rule 9019 Motion and the Financing Motion go forward without an adjudication of the Swap Insurers' purported "consent rights," there can be no certainty that the City will be able to obtain the termination of the Swaps, since the Swap Insurers will have preserved their claim that any termination absent its consent is "of no force or effect." Indeed, Syncora itself has argued to this Court that "before determining whether approval and assumption of the Forbearance Agreement is proper" this Court "must determine whether the Swap Counterparties have the right to designate an Early Termination Date for the Swaps without Syncora's consent, as the Forbearance Agreement provides." Syncora Obj. ¶¶ 66, 68 (emphasis added). The fact remains that all relevant parties have taken the position that the consent issue should be decided when the other motions are adjudicated. Most importantly, this is appropriate as a matter of common sense and judicial economy.

II. THE SWAP AGREEMENTS ARE VALID AND ENFORCEABLE

Ambac and other Objectors challenge the legality and enforceability of the Swap Agreements. They argue (erroneously) that the City—not the Service Corporations—is party to the Swaps, and that the City itself was not authorized by

Michigan law to enter into the Swap Agreements. See Ambac Obj. ¶¶ 17-26; NPFGC Obj. (Dkt. No. 353) ¶ 2. These arguments border on the frivolous.

The City is a "home rule city." Detroit, Mich., Home Rule Charter § 1-102. Under the Michigan Constitution and the Michigan Home Rule City Act, a home rule city has all powers not expressly prohibited. Mich. Const. art. VII, § 22; MCL § 117.4j(3); People v. Sell, 17 N.W.2d 193, 194-95 (Mich. 1945). No law prohibits the City from creating the Service Corporations, or using them in connection with the Swaps.

To the contrary, the Michigan Home Rule City Act expressly authorizes home rule cities like Detroit to form Michigan nonprofit corporations like the Service Corporations. See MCL § 117.4o. By ordinance, the City Council exercised that broad home rule authority and formed the Service Corporations. Detroit Ordinance 05-05 and Article II (2) of the Articles of Incorporation for each of the Service Corporations state expressly that "the Corporation shall be a legal entity separate and distinct from the City . . . ."[20] See, e.g., FGIC Obj., Ex. C; Ambac Obj., Ex. 2.

The Objectors suggest that the Court should simply ignore the Service Corporations as "mere creations" of the City. See Ambac Obj. ¶¶ 19-21. However, the Objectors have failed to allege any facts that would justify such extreme action. Under longstanding Michigan Supreme Court precedent,

---

[20] The City's exercise of its home rule powers is presumed valid and entitled to great deference. Adams Outdoor Adver., Inc. v. City of Holland, 600 N.W.2d 339, 344-45 (Mich. Ct. App. 1999), aff'd, 625 N.W.2d 377 (Mich. 2001); see also In re Jefferson Cty., Ala., 484 B.R. 427, 462 (Bankr. N.D. Ala. 2012).

Michigan courts will respect formal legal structures unless presented with evidence of fraud. See Klager v. Robert Meyer Co., 329 N.W.2d 721, 725 (Mich. 1982); Bacon v. City of Detroit, 275 N.W. 800, 803 (Mich. 1937). Accordingly, the Service Corporations must be respected as separate corporate entities properly formed under the City's broad home rule power.[21] Indeed, we are not aware of a single case disregarding the separate corporate status of a corporation formed by a municipality, and the Objectors have cited none.

Even if the Swap Agreements had been entered into directly by the City, the Swap Agreements still would be valid. The Objectors claim that the City is not authorized to enter into the Swap Agreements because (i) the Swap Agreements are not specifically authorized by the Revised Municipal Finance Act ("RMFA") and (ii) the Swap Agreements cannot be authorized under any other Michigan law. However, a home rule city has all powers not expressly prohibited

---

[21] Disregarding the Service Corporations would have far-reaching consequences for the City and other Michigan municipalities. The City alone controls nearly a dozen similar corporations, and other Michigan municipalities also routinely form and use corporations. See, e.g., City of Grand Rapids, Comprehensive Annual Financial Report iv (2012), http://grcity.us/city-comptroller/Documents/CAFR%202012%20PDF%20FINAL.pdf; City of Flint, Comprehensive Annual Financial Report 3, 36 (2012), http://www.cityofflint.com/finance/CAFR/2012/CoFCAFR2012.pdf. Many other cities across the United States do the same. In fact, financial guaranty insurers, including Ambac, routinely issue insurance policies on securities issued by the very entities Ambac now claims are illegal. See, e.g., Official Statement for City of Detroit Downtown Development Authority Tax Increment Refunding Bonds, Series 1998 (bonds insured by MBIA), http://emma.msrb.org/MS148205-MS123513-MD239453.pdf; Official Statement for Municipal Building Authority of Dearborn Heights, Building Authority Bonds, Series 2003 (bonds insured by Ambac), http://emma.msrb.org/MS215925-MS191233-MD371327.pdf.

by the state legislature or the Constitution. No statute, including the RMFA, prohibits the City from entering into swaps.[22]

Moreover, the Swap Agreements and the Collateral Agreement are fully enforceable at this time due to the applicable safe harbor provisions in the Bankruptcy Code that permit counterparties to enforce contractual rights in connection with a swap agreement without violating the automatic stay. See In re Mirant Corp., 314 B.R. 347, 353 (Bankr. N.D. Tex. 2004) (authorizing swap participant's actions under sections 362(b)(17) and 560 of the Bankruptcy Code); see also In re Nat'l Gas Distribs., LLC, 556 F.3d 247 (4th Cir. 2009). Specifically, section 362(b)(17) provides:

> (b) The filing of a petition . . . **does not operate as a stay**—
>
> . . . of the exercise by a swap participant or financial participant of any contractual right (as defined in section 560) under any security agreement or arrangement or other credit enhancement forming a part of or related to any swap agreement, or of any contractual right (as defined in section 560) to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more such agreements, including any master agreement for such agreements . . .

---

[22] The Objectors argue that the RMFA is a statute of general applicability that "occupies the field" of interest rate swaps. See, e.g., Ambac Obj. ¶¶ 29-36. They are simply wrong. The RMFA does not expressly occupy the field, and no legislative history supports such a position. See People v. Llewellyn, 257 N.W.2d 902, 904-05 (Mich. 1977). Only one isolated section of the RMFA addresses interest rate swaps at all (see MCL § 141.2317) and other Michigan law regulates such instruments. See id. §§ 141.422b(5)(b), 141.424.

11 U.S.C. § 362(b)(17) (emphasis added). In addition, section 560 of the Bankruptcy Code provides:

> The exercise of any contractual right of any swap participant or financial participant to cause the liquidation, termination, or acceleration of one or more swap agreements . . . or to offset or net out any termination values or payment amounts arising under or in connection with the termination, liquidation, or acceleration of one or more swap agreements **shall not be stayed, avoided, or otherwise limited** by operation of any provision of this title or by order of a court or administrative agency in any proceeding under this title.

11 U.S.C. § 560 (emphasis added).

Here, a termination by the Swap Counterparties clearly falls within the protections of these safe harbor provisions as they are both swap participants and financial participants to the Swap Agreements. See 11 U.S.C. §§ 101(22A), (53C).[23] Thus, the Swap Counterparties have the right to terminate the Swaps, demand a termination payment and enforce their liens on the Casino Revenues. Instead of enforcing their clear contractual rights, which would trap an essential revenue stream of the City, the Swap Counterparties agreed to enter into the FOTA. The FOTA will release the Swap Counterparties' lien on the Casino Revenues and will give the City access to the Casino Revenues, free and clear of any liens created by the Collateral Agreement.

---

[23] In contrast, as this Court has already found, Syncora is not a swap participant and cannot avail itself of the protections under sections 362(b)(17) or 560. See Aug. 28, 2013 Hr'g Tr., Ex. E at 7-8 ("Syncora is not a swap participant as that term is defined by the Bankruptcy Code, and the Court concludes, therefore, that it cannot rely on Section 362(b)(17).").

III. THE LIEN ON THE CASINO REVENUES IS VALID UNDER THE MICHIGAN GAMING CONTROL AND REVENUE ACT

The Objectors next argue that the Lien on the Casino Revenues is invalid under the Michigan Gaming Control and Revenue Act (the "Gaming Act"). See, e.g., Ambac Obj. ¶¶ 40-46; Assured Obj. ¶ 1. The City's pledge of casino tax revenues, however, fits squarely within several of the uses permitted under the Gaming Act. Section 12 of the Gaming Act provides that the City may use casino tax revenues "in connection with . . . (v) Other programs that are designed to contribute to the improvement of the quality of life in the city, [or] (vi) Relief to the taxpayers of the city from 1 or more taxes or fees imposed by the city." MCL § 432.212(3)(a).[24]

The pledge contributed to the improvement of the quality of life and provided taxpayer relief. In 2009, the credit rating on the COPs was downgraded, causing an Additional Termination Event under the Swap Agreements and triggering the rights of the Swap Counterparties to terminate and demand termination payments in excess of $300 million. This chain of events could have exposed the City to massive liability and a judgment that would have been immediately placed on the City's tax roll. MCL § 600.6093. The unavoidable tax burden on City residents would have been extraordinary. It would have destroyed the quality of life in Detroit by diverting revenue from social and safety programs

[24] Various parties have referred to the Swap Counterparty's lien on the Casino Revenues. That reference is adopted here. The lien actually was granted by the City to the Service Corporations and secures the City's obligations to make payments to the Service Corporations under the Service Contracts relating to the Swaps. The Swap Counterparties have a lien on those obligations secured by the lien on the Casino Revenues.

to satisfy the judgment. The City Council in its contemporaneous judgment confirmed this as part of its legislative findings. See Detroit Ordinance 05-09 (FGIC Obj., Ex. Q).

The Objectors offer no support for their position, other than conclusory and self-serving assertions made four years after the City Council's contemporaneous findings. Indeed, the Objectors' position is undone by their very own arguments. In short, they contend that the City can use the Casino Revenues to pay unsecured creditors. If using the Casino Revenues to pay unsecured creditors is a permitted purpose under the Gaming Act, then the Casino Revenues certainly could be used to secure payments to creditors. In any event, restricting the City's use of Casino Revenues is contrary to the City's historical and planned use of the Casino Revenues as a critical revenue source, and one that is essential to the City's plan of adjustment. See City Mot. ¶¶ 22, 44.

IV. THE FIRST PRIORITY LIEN ON THE CASINO REVENUES EXTENDS TO CASINO REVENUES ACQUIRED POST-PETITION

Certain objectors argue that even if the City otherwise granted a valid lien on the Casino Revenues, the lien does not extend to Casino Revenues generated and acquired by the City post-petition, by virtue of Bankruptcy Code section 552(a). See Ambac Obj. ¶¶ 48-61; PFRS/GRS Obj. at 6-12; Sole Obj. (Dkt. No. 361) at 16-18. The lien, however, manifestly extends to the Casino Revenues acquired post-petition, both as a statutory lien (which are not subject to section 552(a)) **and** as a protected security interest.

A. The Swap Counterparties' Lien Is A Statutory Lien

Ambac claims that the Swap Counterparties' Lien on the Casino Revenues arises "solely as a result of an agreement between the parties," and therefore does not qualify as a statutory lien. See Ambac Obj. ¶ 49 n.7. This is incorrect. Section 101(53) of the Bankruptcy Code defines a "statutory lien" as a "lien arising solely by force of a statute on specified circumstances or conditions." 11 U.S.C. § 101(53); see also In re Cty. of Orange, 189 B.R. 499, 503 (C.D. Cal. 1995) (statute expressly created a first priority lien on certain taxes).

The Lien on the Casino Revenues is a statutory lien by virtue of a City ordinance and therefore extends to the Casino Revenues acquired post-petition. On May 26, 2009, the City passed an ordinance (the "City Ordinance") expressly granting the lien on the Casino Revenues to secure the payments on the Swap Agreements. Detroit City Code § 18-16-8.[25] A valid City ordinance has the force of a statute under Michigan law. See, e.g., Walsh Constr. Co. of Ill. v. City of Detroit, 257 F. Supp. 2d 935, 938 (E.D. Mich. 2003). As the Objectors concede, no provision of the Bankruptcy Code cuts off a statutory lien on collateral acquired by a debtor post-petition. See In re Cty. of Orange, 189 B.R. at 502-03; Ambac

---

[25] Section 18-16-8(a) provides "[t]he city pledges to the service corporations and creates a first priority lien upon all of the city's right, title and interest in, to and under the pledged property, whether received or to be received, in order to secure the payment of all city hedge payables related obligations (the city pledge)." Id. § 18-16-8(a). Section 18-16-14(a) provides "[e]ach service corporation pledges to the counterparties and creates a first priority lien upon all of the service corporation's right, title and interest in, to and under the city hedge payables related Obligations and the city pledge, in order to secure the payment of the hedge payables as the same may now or hereafter become due and payable by such service corporation under its respective hedge (collective, the service corporation pledge)." Id. § 18-16-14(a).

Obj. ¶ 49 n.7; PFRS/GRS Obj. at 7. Because the City Ordinance by itself suffices to create a valid statutory lien on the Casino Revenues, section 552 does nothing to affect this lien. In re Cty. of Orange, 189 B.R. at 503 ("The statutory nature of the lien is not changed by the fact there was an agreement between the parties . . . . [T]he *creation of the lien* is not dependent upon the agreement") (emphasis in original).

B. The Swap Counterparties' Lien Is A Protected Security Interest And The Casino Revenues Qualify As "Special Revenues"

Even if the Lien on the Casino Revenues acquired post-petition were not a statutory lien, a lien exists on the Casino Revenues acquired post-petition by virtue of the Collateral Agreement. Section 928 of the Bankruptcy Code creates an exception from section 552 and protects a lien on "special revenues" acquired post-petition. It provides that "special revenues acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case." 11 U.S.C. § 928(a).

The Collateral Agreement is clearly a security agreement, and the Objectors do not argue otherwise.[26] Instead, they claim that section 902 does not apply because the Casino Revenues are not "special revenues." That argument is meritless. "Special revenues" are statutorily defined to include "special excise

---

[26] Section 101(50) of the Bankruptcy Code defines "security agreement" as an "agreement that creates or provides for a security interest." 11 U.S.C. § 101(50). A "security interest" is a "lien created by an agreement." 11 U.S.C. § 101(51). The Collateral Agreement by its terms creates a consensual lien on the Casino Revenues and is therefore a "security agreement" under the Bankruptcy Code.

taxes imposed on particular activities or transactions." 11 U.S.C. § 902(2)(B); see also Quiroz v. Mich. Dep't of Treasury, 472 B.R. 434, 442 (E.D. Mich. 2012) (affirming decision by this Court that certain taxes were "excise taxes" under section 507 because they were levied upon particular business activities). An excise tax is defined as a "'tax imposed on the performance of an act . . . or the enjoyment of a privilege.'" Quiroz, 472 B.R. at 437 (citation omitted); see also City of N.Y. v. Feiring, 313 U.S. 283, 285 (1941).

The wagering tax revenues qualify as excise taxes because they consist of taxes imposed on a particular activity (gaming), as well as on the enjoyment of a privilege (operating under a casino license). As a result, the wagering tax revenues qualify as "special revenues" under section 902(2)(B). In fact, the City has expressly codified the legal status of the wagering tax revenues. See Detroit City Code § 18-14-3(a) (imposing an "excise tax upon the adjusted gross receipts of the casino licensee").[27]

Moreover, the opinion letters from the City's counsel, issued contemporaneously with the Collateral Agreement, affirm that the Lien is valid and the Casino Revenues constitute "special revenues." See Exs. F, G. These opinions by the City's own lawyers constitute an important factor that the Court should consider in assessing the validity of the Lien. Cable Sci. Corp. v. Rochdale Vill.,

---

[27] A small portion of the Casino Revenues include rights to payments under so-called "developer agreements." The developer agreements were entered into before the Collateral Agreement was entered into. Payments thereunder are proceeds of pre-petition collateral consisting of those rights and are not cut off by the commencement of the City's chapter 9 case. See 11 U.S.C. § 552(b)(1); United Va. Bank v. Slab Fork Coal Co., 784 F.2d 1188, 1190 (4th Cir. 1986).

Inc., 920 F.2d 147, 151-52 (2d Cir. 1990). Non-parties and third party beneficiaries to a contact should not be heard to argue that a contract was legally unsound when the City's own lawyers issued such opinion letters as part of the execution of the contract. See Merrill Lynch Capital Servs. v. USIA & Itamarati, 2012 WL 1202034, at *5 (S.D.N.Y. Apr. 10, 2012), aff'd, 2013 WL 4610024 (2d Cir. Aug. 30, 2013).

In an attempt to overcome section 928's exceptions, the Objectors argue that they apply only to special revenues that secure special revenue bonds, as opposed to other instruments used in municipal finance (such as warrants and swaps). See Ambac Obj. ¶¶ 55-61. The plain language of the statute defeats this argument. Section 928 contains no such limitation. Instead, it expressly protects liens on special revenues granted under "any security agreement." 11 U.S.C. § 928(a). Accordingly, courts have applied section 928 to special revenues securing financial instruments other than bonds. See In re Jefferson Cty., Ala., 474 B.R. 228, 236-38 (Bankr. N.D. Ala.) (applying the special revenues exception to warrants and differentiating bonds from warrants in the municipal finance market), aff'd, 2012 WL 3775758 (N.D. Ala. Aug. 28, 2012).[28] This interpretation is not

[28] Ambac and PFRS/GRS's reliance on In re Cty. of Orange, 179 B.R. 185 (Bankr. C.D. Cal. 1995), aff'd & remanded, 189 B.R. 499 (C.D. Cal. 1995), for the proposition that section 928 applies only to special revenue bonds is misplaced. The financial instruments discussed in Cty. of Orange were bonds secured by general revenues of the municipality, as opposed to special revenues. Thus, the court in that case was simply emphasizing that these general revenue bonds did not have the protection of section 928, not that the special revenues had to secure special revenue bonds for section 928 to apply. See id. at 192 ("Congress could have made § 928 applicable to all municipal bonds, but it chose to limit its

only supported by the plain meaning of section 928 but is also consistent with the policy objective of providing a municipality with the flexibility to use special revenues as collateral for a variety of financing devices. See In re Jefferson Cty., Ala., 482 B.R. 404, 432-35 (Bankr. N.D. Ala. 2012).

PFRS/GRS argue that the term "special excise taxes" in Bankruptcy Code section 902(2)(B) means only excise taxes levied to finance a particular project or program that will subsequently generate the referenced excise taxes. PFRS/GRS Suppl. Obj. (Dkt. No. 973) ¶¶ 10-12. But that scenario is already covered by section 902(2)(E) of the Bankruptcy Code ("taxes specifically levied to finance one or more projects or systems . . . ."). Contrary to the PFRS/GRS argument, "special" is meant to distinguish from "general." Here, the excise taxes are "special" because, as revenues from gaming, they relate to a particular activity.

CONCLUSION

For the foregoing reasons, the Court should grant the City's Motions and issue an order (i) authorizing the assumption of the FOTA pursuant to section 365(a) of the Bankruptcy Code and (ii) approving the FOTA pursuant to Rule 9019 of the Federal Bankruptcy Rules of Procedure.

---

application. Section 552(a) is, therefore, still applicable to general revenue bonds . . . .").

Dated: December 10, 2013

BINGHAM McCUTCHEN LLP

By: /s/ *Jared R. Clark*
Jared R. Clark
Mark M. Elliott
Edwin E. Smith
Steven Wilamowsky
399 Park Avenue
New York, New York 10022
Telephone: (212) 705-7000
Facsimile: (212) 702-5378
jared.clark@bingham.com
mark.elliott@bingham.com
edwin.smith@bingham.com
steven.wilamowsky@bingham.com

Attorneys for UBS AG

WARNER NORCROSS & JUDD LLP

By: /s/ *Stephen B. Grow*
Stephen B. Grow
Charles Ash, Jr.
900 Fifth Third Center
111 Lyon Street NW
Grand Rapids, Michigan 49503
Telephone: (616) 752-2000
Facsimile: (616) 752-2500
sgrow@wnj.com
cash@wnj.com

Attorneys for Merrill Lynch Capital Services, Inc. and UBS AG

CADWALADER, WICKERSHAM & TAFT LLP

By: /s/ *Howard R. Hawkins, Jr.*
Howard R. Hawkins, Jr.
Jason Jurgens
Ellen M. Halstead
One World Financial Center
New York, New York 10281
Telephone: (212) 504-6000
Facsimile: (212) 504-6666
howard.hawkins@cwt.com
jason.jurgens@cwt.com
ellen.halstead@cwt.com

Mark C. Ellenberg
700 Sixth Street, N.W.
Washington, DC 20001
Telephone: (202) 862-2200
Facsimile: (202) 862-2400
mark.ellenberg@cwt.com

Attorneys for Merrill Lynch Capital Services, Inc.

APPENDIX

APPENDIX OF RELEVANT CONTRACTUAL PROVISIONS

Exhibit 6 to the City's Motions: Forbearance and Optional Termination Agreement

Recitals – WHEREAS, pursuant to the terms of each Swap Agreement, it is the view of the Swap Counterparties that one or more Events of Default and/or Additional Termination Events has occurred, with the Service Corporation as the Defaulting Party or sole Affected Party, and therefore each of SBS and UBS has the right to designate an Early Termination Date for the related Swap Agreements;

Section 1.1 – *Forbearance*. During the period (the "**Forbearance Period**") commencing on the date hereof and terminating upon the occurrence of a Forbearance Period Termination Event (as defined in Section 1.3 below), each Swap Counterparty shall, subject to the terms and conditions hereof, forbear from:

(a) issuing any notice designating an Early Termination Date with respect to any Swap Agreement; and

(b) (i) instructing the Collateral Agreement Custodian to cease making payments to the City from the General Receipts Subaccount in accordance with Section 5.4 of the Collateral Agreement and (ii) giving notice to the Collateral Agreement Custodian pursuant to the Collateral Agreement of its obligation to cease making such payments.

Section 3.1 – *Optional Termination Right.* Subject to the terms and conditions of this Agreement:

(a) UBS and the City hereby agree that the City shall have the right, but not the obligation, exercisable on any Business Day during the Exercise Period, to direct UBS to exercise its Optional Termination Right, under all (but not less than all) of the UBS Swap Agreements (the "**UBS Termination Right**").

(b) MLCS and the City hereby agree that the City shall have the right, but not the obligation, exercisable on any Business Day during the Exercise Period, to direct MLCS to exercise or cause to be exercised the Optional

Termination Right under all (but not less than all) of the MLCS/SBS Swap Agreements (the "**MLCS Termination Right**" and together with the UBS Termination Right, the "**Termination Rights**"). MLCS hereby acknowledges that MLCS has the right to direct SBS to exercise the Optional Termination Right.

Section 3.2 – *Exercise of Termination Rights.*

. . . .

(c) If the City exercises the Termination Rights and complies with all the terms of this Agreement, (i) no Swap Counterparty will present any payment notice, notice of nonpayment, or other presentation of claim under a Swap Insurance Policy to a Swap Insurer as a result of the exercise of the Termination Rights and (ii) each Swap Counterparty will irrevocably waive all future rights to do so. . . .

Section 3.4 – *Effect of Payment of Optional Termination Amount*.

Upon payment in full by the City of the Optional Termination Amount to each of the Swap Counterparties:

(a) each of the Swap Counterparties and the Service Corporations shall be released and discharged from further obligations to each other under the Swap Agreements and their respective rights against each other thereunder shall be terminated;

(b) the City Pledge, the Service Corporation Security Interest and the Service Corporation Pledge shall be satisfied and discharged; . . . .

Section 3.5 – *Definitions Related to the Optional Termination Right.*

. . . .

"**Optional Termination Provision**" shall mean (i) with respect to the MLCS/SBS Swap Agreements, Part 5(t) of the Schedule to such Swap Agreements and (ii) with respect to the UBS Swap Agreements, Part 5(xx) of the Schedule to such Swap Agreements.

"**Optional Termination Right**" shall mean a Swap Counterparty's right to optionally terminate all transactions, in whole, pursuant to the applicable Optional Termination Provision.

Section 5 – **Forbearance not a waiver**. Except as expressly provided herein, each party hereby expressly reserves the right to exercise at any time any rights and/or remedies such party has and/or to which such party is entitled under the Transaction Documents. The parties acknowledge and agree that one or more Event(s) of Default, Potential Event(s) of Default and/or Termination Event(s) may have occurred under the Transaction Documents, and may occur from time to time after the date hereof, and this Agreement (except to the limited extent expressly provided herein) preserves, and does not constitute a waiver of any right, power or privilege that the parties to this Agreement are entitled to exercise as a result of any such Event of Default, Potential Event of Default or Termination Event under the Transaction Documents. The failure of a party to exercise at any time any rights and/or remedies it has and/or to which it is entitled under the Transaction Documents, including any right to designate an Early Termination Date or to give notice under, or to insist on the strict performance of the Transaction Documents by any other party to, such Transaction Document (including, without limitation, the Collateral Agreement Custodian) will not be construed as an estoppel, waiver, modification or limitation on any right (including, without limitation, any right to designate in the future an Early Termination Date based upon the occurrence of any Event of Default or Termination Event).

Section 8(b) – ***Amendments.*** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

Exhibit B: 2009 Amended And Restated Schedule Between UBS AG And Detroit General Retirement System Service Corporation

Section 5(i) – *Designation of Early Termination Date.* Notwithstanding anything to the contrary in Section 6 of this Agreement, if any:

(a) Event of Default in respect of any Insured Rate Swap Transaction under this Agreement occurs; or

(b) Termination Event (other than the Additional Termination Events set forth in Part 5(ii) below) in respect of any Insured Rate Swap Transaction under this Agreement occurs;

then, in either such case, neither Party A nor Party B shall designate an Early Termination Date pursuant to Section 6 of this Agreement in respect of any such Insured Rate Swap Transaction without the prior written consent of the Swap Insurer.

Section 5(ii) – *Party B Additional Termination Events.* The following shall each constitute an Additional Termination Event:

(a) the Swap Insurer fails to meet its payment obligations under the Swap Insurance Policy and such failure is continuing with respect to the Swap Insurer under the Swap Insurance Policy; or

(b) the Swap Insurer fails to have a claims-paying ability rating of at least "A-" from S&P or a financial strength rating of at least "A3" from Moody's; provided, however, that additionally:

(X) an Event of Default has occurred or is continuing with respect to Party B as the Defaulting Party; or

(Y) a Termination Event has occurred or is continuing with respect to Party B as the Affected Party; or

(c) An Insurer Event has occurred and is continuing provided, however, that additionally:

(X) an Event of Default has occurred or is continuing with respect to Party B as the Defaulting Party: or

(Y) a Termination Event has occurred or is continuing with respect to Party B as the Affected Party.

Section 5(xx) – ***Optional Early Termination.*** Party A shall have the right to terminate one or more Transactions hereunder, either in whole or in part, on any Business Day; *provided* that no Event of Default or Termination Event is then occurring with respect to which Party A is the Defaulting Party or sole Affected Party, by providing at least five (5) Business Days' prior written notice to Party B of its election to terminate and its designation of the effective date of termination (the "Party A Optional Early Termination Date"). On the Party A Optional Early Termination Date, Party A shall determine the amount payable in connection with such termination as the greater of (i) zero and (ii) the amount calculated in accordance with Section 6(e) of the Agreement, as if (A) the Party A Optional Early Termination Date were the Early Termination Date with respect to the terminated Transaction(s) or portion thereof, (B) the terminated Transaction(s) were the sole Affected Transaction(s), (C) Party B were the sole Affected Party and (D) Second Method and Loss applied. For the avoidance of doubt, in no event will Party B owe any amount to Party A in connection with an election by Party A to exercise its option under this Part 5(xx), other than any Unpaid Amounts

Section 3.4 – Irrevocable Instructions

(a) The City shall give effect to its obligations contained in **Section 5.1(a)** by means of the Irrevocable Instructions in the form attached hereto as **Exhibit 3.4** as modified with the consent of the Counterparties to take into account whether the addressee is a Casino Licensee, Developer or Obligor (the ***Irrevocable Instructions***).

(b) The City shall deliver an Irrevocable Instruction to each Casino Licensee and each Existing Developer on or before the Closing Date. *If* a Casino Licensee and a Developer are the same Person *then* the Irrevocable Instruction as to Wagering Tax Property and Developer Payments may be combined in a single Irrevocable Instruction.

Section 4.1 – City Pledge

(a) The City Pledge as set forth in the Authorizing Ordinance, as in effect on the Closing Date, and as set forth below is an essential term of this Agreement.

(b) The City pledges to the Service Corporations and creates a first priority lien upon all of the City's right, title and interest in, to and under the Pledged Property, whether received or to be received, in order to secure the payment of all City Hedge Payables Related Obligations (the ***City Pledge***).

Section 9.2 – Junior Pledges or Liens

The City may pledge or otherwise grant a lien on, or security interest in the Pledged Property that is junior to the pledge and lien granted by this Agreement *if*, *but only if*, (i) such pledge, lien or security interest is authorized by ordinance or resolution of the City Council and (ii) as a condition to the grant, be subject to intercreditor arrangements satisfactory to the Counterparties (***Permitted Liens***).

Section 10.4 – Alternative Taxes

(a) *If and when* Alternative Taxes become payable, the City shall, effective on or before the date of first payment, enter into an agreement with the State of Michigan providing for the payment of Alternative Taxes to the Custodian for deposit to the General Receipts Subaccount.

(b) Such agreement shall be in form and substance acceptable to the Counterparties.

Section 11.2 – Remedies as Secured Party

(a) In addition to a Counterparty's remedies under a Hedge, following the occurrence of a Termination Event or Event of Default under a Hedge where the Counterparty is not the sole Affected Party or Defaulting Party thereunder, each Counterparty has the remedies available to it as a secured party to enforce the Service Corporation Pledge, the Service Corporation Security Interest and the City Pledge. Such remedies of the Counterparties as secured parties under the Service Corporation Pledge and Service Corporation Security Interest shall include the exercise of all rights and remedies otherwise available to the Service Corporations as secured parties under the City Pledge, including the right to cause the Pledged Property to be applied to the obligations owing to the Counterparties under the Hedges up to the amounts then appropriated.

(b) Such remedies include the right to cause the Pledged Property to be applied to the obligations owing to the Counterparties under the Hedges up to the amounts then appropriated and, to the extent that not all amounts for all obligations owing to the Counterparties have been appropriated, the right to use judicial process to obtain appropriations and to exercise any other equitable remedies available to the Counterparties against the Service Corporations and the City, as a Michigan home rule city, in respect of such unappropriated amounts.

(c) *Subject* to such appropriation as may be required, judicial remedies shall be available to the extent necessary for the Counterparties to recognize all the rights and benefits of a first priority secured party with respect to the Service Corporation Property and the Pledged Property, including, as appropriate, by writ of mandamus or other equitable remedy that would result in release of funds from

the Accounts to be applied to the obligations owing to the Counterparties under the Hedges and this Agreement.

(d) In exercising remedies the Counterparties may act jointly or independently of each other.

Section 11.4 – Failure to Appropriate

In the event that the City fails to make an appropriation in the City's final annual budget adopted by the City Council pursuant to and in compliance with the City Charter for any Fiscal Year, and to maintain such provision without limitation, transfer or reduction throughout such Fiscal Year, on a line item basis and as a "first budget" obligation, an amount that is sufficient to pay in full, and which may be used exclusively for payment of, the City Payments for a particular Fiscal Year, mandamus may be an appropriate remedy for the Counterparties.

Section 12.13 – Replacement of Custodian.

(c) Removal by Counterparties

(1) The Counterparties acting together may remove the Custodian by so notifying the Custodian.

(2) If the Custodian becomes ineligible under **Section 12.12**, any Counterparty may petition a court of competent jurisdiction for the appointment of a successor.

CERTIFICATE OF SERVICE

I hereby certify that on December 10, 2013, I electronically filed the foregoing paper with the Clerk of the Court using the ECF system, which will send notice of filing to all ECF participant indicated on the Electronic Notice List.

/s/ *Stephen B. Grow*

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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

SCHEDULE OF EXHIBITS TO THE STATEMENT OF MERRILL LYNCH CAPITAL SERVICES, INC. AND UBS AG IN SUPPORT OF DEBTOR'S MOTIONS FOR AN ORDER PURSUANT TO SECTION 365(a) OF THE BANKRUPTCY CODE AND RULE 9019, AND IN REPLY TO THE OBJECTIONS TO THE MOTION

A. 1992 ISDA Master Agreement between UBS AG and Detroit General Retirement System Service Corporation, dated June 7, 2006.

B. Amended and Restated Schedule between UBS AG and Detroit General Retirement System Service Corporation, dated June 26, 2009.

C. 1992 ISDA Master Agreement between SBS Financial Products Company, LLC and Detroit General Retirement System Service Corporation, dated June 7, 2006.

D. Amended and Restated Schedule between SBS Financial Products Company, LLC and Detroit General Retirement System Service Corporation, dated June 26, 2009.

E. Excerpt of transcript of August 28, 2013 hearing in In re City of Detroit, Michigan, Case No. 13-53846 (Bankr. E.D. Mich.).

F. Opinion letter of Lewis & Munday, dated June 26, 2009.

G. Opinion letter of Orrick Herrington & Sutcliffe LLP, dated June 26, 2009.

H. Waiver and consent of Syncora Guarantee Inc. with relevant exhibits, dated June 26, 2009.

I. Waiver and consent of Financial Guaranty Insurance Company with relevant excerpts, dated June 26, 2009.

J. Moody's Investor Services, Moody's downgrades Syncora Guarantee to Ca; outlook is developing, dated March 9, 2009.

K. Moody's Investor Services, Moody's downgrades FGIC to Caa3 and will withdraw ratings, dated March 24, 2009.

L. Excerpt of Syncora Guarantee Inc.'s Memorandum of Law in Opposition to Defendants' Motion for an Order Directing Syncora to Show Cause Why this Action Should Not Be Transferred to the Eastern District of Michigan, filed in Syncora Guarantee Inc. v. UBS AG, et al., 13 Civ. 5335 (LAK) (S.D.N.Y).

M. Excerpt of transcript of August 30, 2013 deposition of Kevyn Orr.

EXHIBIT A

ISDA®

International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of June 7, 2006

UBS AG ("Party A")	and	**DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION,** a not-for-profit corporation organized under the laws of the State of Michigan ("Party B")

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows: —

1. Interpretation

(a) ***Definitions***. The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) ***Inconsistency***. In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) ***Single Agreement***. All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) ***General Conditions***.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) ***Change of Account.*** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) ***Netting.*** If on any date amounts would otherwise be payable: —

(i) in the same currency; and

(ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of branches or offices through which the parties make and receive payments or deliveries.

(d) ***Default Interest; Other Amounts.*** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:—

(a) ***Basic Representations.***

(i) ***Status.*** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;

(ii) ***Powers.*** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under

this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;

(iii) ***No Violation or Conflict.*** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) ***Consents.*** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) ***Obligations Binding.*** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) ***Absence of Certain Events.*** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) ***Absence of Litigation.*** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) ***Accuracy of Specified information.*** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) ***Furnish Specified Information.*** It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) ***Maintain Authorisations.*** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) ***Comply with Laws.*** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

5. Events of Default and Termination Events

(a) ***Events of Default.*** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) ***Failure to Pay or Deliver***. Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) ***Breach of Agreement***. Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) or to give notice of a Termination Event) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) ***Credit Support Default.***

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) ***Misrepresentation***. A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) ***Default under Specified Transaction***. The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) ***Cross Default***. If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) ***Bankruptcy***. The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) ***Merger Without Assumption***. The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:—

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) ***Termination Events***. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below:—

(i) ***Illegality***. Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):—

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) ***Credit Event Upon Merger***. If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified

Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) ***Additional Termination Event.*** If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) ***Event of Default and Illegality.*** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) ***Right to Terminate Following Event of Default.*** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) ***Right to Terminate Following Termination Event.***

(i) ***Notice.*** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) ***Two Affected Parties.*** If an Illegality under Section 5(b)(i)(1) occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) ***Right to Terminate.*** If: —

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii), a Credit Event Upon Merger or an Additional Termination Event occurs,

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) ***Calculations.***

(i) ***Statement.*** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) ***Payment Date.*** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) ***Payments on Early Termination.*** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) ***Events of Default.*** If the Early Termination Date results from an Event of Default:—

(1) *First Method and Market Quotation.* If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) *First Method and Loss.* If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) *Second Method and Market Quotation.* If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss*. If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) ***Termination Events***. If the Early Termination Date results from a Termination Event:—

(1) *One Affected Party*. If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties*. If there are two Affected Parties:—

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) ***Adjustment for Bankruptcy***. In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) ***Pre-Estimate***. The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Miscellaneous

(a) ***Entire Agreement***. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) ***Amendments***. No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) ***Survival of Obligations***. Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) ***Remedies Cumulative***. Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) ***Counterparts and Confirmations***.

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) ***No Waiver of Rights***. A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) ***Headings***. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

9. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

10. Notices

(a) ***Effectiveness***. Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

(i) if in writing and delivered in person or by courier, on the date it is delivered;

(ii) if sent by telex, on the date the recipient's answerback is received;

(iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or

(v) if sent by electronic messaging system, on the date that electronic message is received, unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) ***Change of Addresses.*** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

11. Governing Law and Jurisdiction

(a) ***Governing Law.*** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) ***Jurisdiction.*** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably: —

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) ***Waiver of Immunities.*** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

12. Definitions

As used in this Agreement:—

"Additional Termination Event" has the meaning specified in Section 5(b).

"***Affected Party***" has the meaning specified in Section 5(b).

"***Affected Transactions***" means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"***Affiliate***" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"***Applicable Rate***" means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"***consent***" includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

"***Credit Event Upon Merger***" has the meaning specified in Section 5(b).

"***Credit Support Document***" means any agreement or instrument that is specified as such in this Agreement.

"***Credit Support Provider***" has the meaning specified in the Schedule.

"***Default Rate***" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"***Defaulting Party***" has the meaning specified in Section 6(a).

"***Early Termination Date***" means the date determined in accordance with Section 6(a) or 6(b)(iii).

"***Event of Default***" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"***Illegality***" has the meaning specified in Section 5(b).

"***law***" includes any treaty, law, rule or regulation and "***lawful***" and "***unlawful***" will be construed accordingly.

"***Local Business Day***" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"***Loss***" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"***Market Quotation***" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"***Non-default Rate***" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"***Non-defaulting Party***" has the meaning specified in Section 6(a).

"***Potential Event of Default***" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"***Reference Market-makers***" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"***Scheduled Payment Date***" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"***Set-off***" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"***Settlement Amount***" means, with respect to a party and any Early Termination Date, the sum of:—

(a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"***Specified Entity***" has the meaning specified in the Schedule.

"***Specified Indebtedness***" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"***Specified Transaction***" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"***Terminated Transactions***" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"***Termination Event***" means an Illegality or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"***Termination Rate***" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"***Unpaid Amounts***" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been

required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

UBS AG (Party A)	**DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION** (Party B)
By: _____	By: _____
Name: John J. Magovern Director & Counsel Region Americas Legal Fixed Income Section	Name: _____
Date: _____	Date: _____
By: _____	
Name: Stephen A. Thatcher Director and Counsel Region Americas Legal Fixed Income Section	
Date: _____	

required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

UBS AG
(Party A)

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION
(Party B)

By: _____

Name: _____

Date: _____

EXHIBIT B

AMENDED AND RESTATED SCHEDULE
DATED AS OF JUNE 26, 2009
to the
1992 ISDA Master Agreement
Local Currency Single Jurisdiction

dated as of
June 7, 2006
between

UBS AG	and	**DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION,** a not-for-profit corporation organized under the laws of the State of Michigan
("Party A")		("Party B")

Part 1.
Termination Provisions

In this Agreement:

(a) ***"Specified Entity"*** means in relation to Party A for the purpose of:

Section 5(a)(v),	NONE
Section 5(a)(vi),	NONE
Section 5(a)(vii),	NONE
Section 5(b)(ii),	NONE

and in relation to Party B for the purpose of:

Section 5(a)(v),	NONE
Section 5(a)(vi),	NONE
Section 5(a)(vii),	NONE
Section 5(b)(ii),	NONE

(b) ***"Specified Transaction"*** will have the meaning specified in Section 12 of this Agreement.

(c) The ***"Cross Default"*** provisions of Section 5(a)(vi) of this Agreement, as modified below, will apply to Party A and to Party B. Section 5(a)(vi) of this Agreement is hereby amended by the addition of the following at the end thereof:

"provided, however, that notwithstanding the foregoing, an Event of Default shall not occur under either (1) or (2) above if, as demonstrated to the reasonable satisfaction of the other party, (a) the event or condition referred to in (1) or the failure to pay referred to in (2) is a failure to pay caused by an error or omission of an administrative or operational nature; and (b) funds were available to such party to enable it to make the relevant payment when due; and (c)

such relevant payment is made within three Business Days following receipt of written notice from an interested party of such failure to pay."

If such provisions apply:

"Specified Indebtedness" means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of any money.

"Threshold Amount" means:

(i) with respect to Party A, an amount equal to 2% of shareholders' equity (howsoever described) of Party A as shown on the most recent annual audited financial statements of Party A and

(ii) with respect to Party B, $10,000,000.

(d) ***The "Credit Event Upon Merger"*** provisions of Section 5(b)(ii) will apply to Party A and Party B, amended as follows:

"Credit Event Upon Merger' shall mean that a Designated Event (as defined below) occurs with respect to a party, any Credit Support Provider of the party or any applicable Specified Entity (any such party or entity, "X"), and such Designated Event does not constitute an event described in Section 5(a)(viii) but the creditworthiness of X, or, if applicable, the successor, surviving or transferee entity of X, is materially weaker than that of X immediately prior to such event. In any such case the Affected Party shall be the party with respect to which, or with respect to the Credit Support of which, the Designated Event occurred, or, if applicable, the successor, surviving or transferee entity of such party. For purposes hereof, a Designated Event means that, after the date hereof:

(i) X consolidates, amalgamates with or merges with or into, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity; or

(ii) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X or otherwise acquires directly or indirectly the power to control the policy-making decisions of X,"

(e) ***The "Automatic Early Termination"*** provision of Section 6(a) will not apply to Party A or Party B.

(f) ***"Payments on Early Termination".*** For the purpose of Section 6(e) of this Agreement:

(i) Market Quotation will apply.

(ii) The Second Method will apply.

(g) "***Termination Currency***" means U.S. Dollars.

(h) There shall be added to Section 5(a) of the Agreement the following Events of Default:

"(ix) Authority; Repudiation. Party B shall cease to have authority to make payments under this Agreement or any Transaction subject to this Agreement, or any government entity having jurisdiction over Party B shall enact any legislation which would have the effect of repudiating this Agreement or any Transaction subject to this Agreement,"

"(x) Amounts payable by Party B to Party A hereunder shall cease to be payable and secured in accordance with the terms specified in Part 4(b)(ii)(g) of this Schedule."

(i) ***"Additional Termination Event"*** will apply to Party A and to Party B. In addition to the Additional Termination Events set forth in Part 5 of this Schedule, the following shall constitute Additional Termination Events.

(i) ***Party A Additional Termination Events.*** Party A or its Credit Support Provider's long-term senior unsecured debt rating from (a) S&P is withdrawn, suspended or falls below "BBB-", or (b) Moody's is withdrawn, suspended or falls below "Baa3".

For purposes of the foregoing Termination Event in this Part 1(i)(i), the sole Affected Party shall be Party A and all Transactions shall be Affected Transactions.

(ii) ***Party B Additional Termination Events.***

(1) The City Payments made in any Month, in aggregate, are less than the Holdback Requirement for such Month; or

(2) The City fails to make an appropriation in the City's final annual budget adopted pursuant to and in compliance with the City Charter prior to the commencement of any Fiscal Year and to maintain such appropriation without limitation, transfer or reduction throughout such Fiscal Year, on a line item basis authorizing exclusively payment of the City Payments and as a "first budget" obligation, of an amount at least equal to the Regular Custodian Payments scheduled to become due during the Fiscal Year plus an amount equal to *the greater* of (X) the amount of the Hedge Periodic Payables under the Hedges scheduled to become due during the Fiscal Year without giving effect to any netting and (Y) for the first Fiscal Year commencing July 1, 2009, $49,936,975 and, for each subsequent Fiscal Year thereafter, $50,736,975; or

(3) The Quarterly Coverage as of the end of any Month is less than 1.75; or

(4) Either (1) the unenhanced rating on the 2006 Pension Funding Securities assigned by S&P falls below "BB" or the unenhanced rating on the 2006 Pension Funding Securities assigned by Moody's falls below "Ba2" and as of the immediately preceding Month's end the Quarterly Coverage is 2.15

or less, or (2) the unenhanced rating on the 2006 Pension Funding Securities assigned by S&P is withdrawn, suspended or reduced below "BB-" or the unenhanced rating on the 2006 Pension Funding Securities assigned by Moody's is withdrawn, suspended or reduced below "Ba3"; or

(5) At any time following a Ratings Upgrade, the unenhanced rating on the 2006 Pension Funding Securities is withdrawn, suspended or reduced below "BBB-" by S&P or withdrawn, suspended or reduced below "Baa3" by Moody's; or

(6) The City, a Service Corporation, or a third party shall commence litigation or take any other judicial action, or any legislative action is taken, to set aside or avoid or limit the 2006 Transaction, the City Pledge, the Service Corporation Security Interest, or the Service Corporation Pledge or any other part of the Definitive Documents or the Settlement Transaction (other than with respect to a Developer Agreement), or if the Authorizing Ordinance or any part thereof shall be amended (without the consent of Party A), revoked, rescinded, nullified or suspended for any reason; or

(7) The City shall rescind, reduce or cease to impose the tax currently imposed as of the Amendment Effective Date by Section 18-14-3 of the Detroit City Code or the City, within two Business Days following the earlier to occur of notice from the Collateral Agreement Custodian that a taxpayer has inadvertently or erroneously paid the Wagering Tax Property directly to the City or the Finance Director learning of such payment, shall fail to transfer by wire transfer in same day funds to the Collateral Agent Custodian for deposit into the General Receipts Subaccount such payment. However, the rescinding of such tax shall not result in a Termination Event hereunder if such tax is then collected by the State of Michigan pursuant to Section 12(1) of the Wagering Tax Revenue Statute and an amount of such collections equal to or greater than the tax imposed as of the Amendment Effective Date is paid to the Collateral Agreement Custodian under arrangements satisfactory to Party A; or

(8) The City fails to pay any Service Charges, Accrued Service Charges, Regular Scheduled Payments or Sinking Fund Installments as and when due and payable under either Service Contract; or

(9) The City fails to pay when due any principal of, or interest on, any indebtedness for borrowed money, other than Excluded Indebtedness, aggregating $1,000,000 or more or any other event shall occur the effect of which is to cause, or to permit the holder or holders of such indebtedness (or a trustee or agent on behalf of such holder or holders) to cause such indebtedness to become due, or to be prepaid in full (whether by redemption, purchase, offer to purchase or otherwise), prior to its stated maturity, in each case after giving effect to any applicable grace period requiring notice or the lapse of time or both; or

(10) The City fails to pay any judgment or judgments aggregating $1,000,000 or more, excluding judgments (1) on appeal and being contested in good faith, (2) for which the City has reached an agreement with the judgment creditor as to the timing and manner of payment that does not involve the imposition of any additional ad valorem property taxes above the Property Tax Threshold and with which agreement the City is in compliance or (3) for which the City is diligently making arrangements for payment and the delay in payment will not result in the City being held in contempt of court for nonpayment or in the imposition of a lien on the City's general funds or the imposition of any additional ad valorem property taxes in excess of the Property Tax Threshold; or

(11) The City commences a case or files a petition seeking relief under the Bankruptcy Code or any other insolvency law or procedure, consents to an order of relief in any such proceeding or to the filing of any such petition, seeks or is subject to the appointment of a receiver or an emergency financial manager for all or any substantial part of its assets or makes an assignment for the benefit of its creditors, or if the Governor of the State of Michigan determines that a financial emergency exists in the City.

For purposes of the foregoing Termination Events in this Part 1(i)(ii), the sole Affected Party shall be Party B and all Transactions shall be Affected Transactions.

(j) ***Default Rate.*** Notwithstanding anything to the contrary in the Agreement, the Default Rate applicable to any amount owed by Party B to Party A during the Term Payment Period shall be LIBOR plus 9% (the "Specified Default Rate"), where "LIBOR" is determined (i) with respect to the remainder of the first Fiscal Year following a Specified Additional Termination Event, as the arithmetic average of USD-LIBOR-BBA (as defined in the 2006 ISDA Definitions, with a Designated Maturity of three months) as of the close of business on the fifteenth (15th) day of the three calendar months immediately preceding such Specified Additional Termination Event and, (ii) with respect to each subsequent Fiscal Year, as the arithmetic average of USD-LIBOR-BBA (as defined in the 2006 ISDA Definitions, with a Designated Maturity of three months) as of the close of business on the fifteenth (15th) day of March, April and May of the immediately preceding Fiscal Year.

(k) ***Remedies.*** In addition to all other remedies available hereunder and which remain unaffected hereby, following the designation of an Early Termination Date hereunder resulting from an Event of Default or Termination Event with respect to which Party B is the Defaulting Party or sole Affected Party, as the case may be, Party A shall have the remedies available to it as a secured party to enforce the Service Corporation Pledge, the Service Corporation Security Interest and the City Pledge. Such remedies of Party A as a secured party under the Service Corporation Pledge and Service Corporation Security Interest shall include the exercise of all rights and remedies otherwise available to the Service Corporations as secured parties under the City Pledge, including the right to cause the Pledged Property to be applied to the obligations owing to Party A hereunder up to the amounts then appropriated. Furthermore, such remedies include the right to cause the Pledged Property to be applied to the obligations owing to the

Swap Counterparties under the Hedges up to the amounts then appropriated and, to the extent that not all amounts for all obligations owing to the Swap Counterparties have been appropriated, the right to use judicial process to obtain appropriations and to exercise any other equitable remedies available to the Swap Counterparties against the Service Corporations and the City, as a Michigan home rule city, in respect of such unappropriated amounts; provided, however, that if an Early Termination Date is designated by Party A hereunder as a result of a Specified Additional Termination Event, Party A shall forbear from exercising any remedies as a secured party against the Pledged Property during the Term Payment Period.

(l) ***Waiver and Rescission.*** As of the Amendment Effective Date, Party A waives its right to declare an Early Termination Date, and hereby rescinds any previously delivered notice of Termination Event and/or designation of an Early Termination Date, in connection with the Additional Termination Event set forth, prior to the Amendment Effective Date, in Part 5(ii)(b)(Z) of the Schedule to this Agreement.

(m) ***Amendment Effective Date Representations of Party B.*** Party B hereby further represents that, as of the Amendment Effective Date:

(i) The City has given an Irrevocable Instruction to each Casino Licensee and Developer.

(ii) No action, proceeding or investigation has been instituted, nor has any order, judgment or decree been issued or proposed to be issued by any court, agency or authority to set aside, restrain, enjoin or prevent the consummation of any transaction contemplated hereby or seeking material damages against the City, a Service Corporation or either Swap Counterparty in connection with the amendment and restatement of the Schedule to this Agreement or the Settlement Transaction.

(n) ***Indemnification.***

(i) To the extent permitted by law, Party B shall defend and hold harmless Party A from and against any and all losses, damages, liabilities, and expenses incurred and paid (each, a "liability") by Party A arising out of or resulting from the commencement or continuation of any litigation, judicial action, or legislative action of the kind described in Part 1(i)(ii)(6) hereof.

(ii) If, for so long as this Agreement is in effect, Party A has actual notice or knowledge of any claim or loss for which indemnification by Party B is asserted, Party A shall give to Party B written notice within such time as is reasonable under the circumstances, describing such claim or loss in reasonable detail. However, any delay or failure of Party A to give the notice shall not affect Party B's indemnification obligations except to the extent that Party B was prejudiced by the delay or failure.

(iii) If a demand or claim for indemnification is made hereunder with respect to losses the amount or extent of which is not yet known or certain, then the notice of demand for indemnification shall so state, and, where practicable, shall include an estimate of the amount of the losses.

(iv) In the case of actual notice of indemnification hereunder involving any litigation, arbitration or legal proceeding, Party B shall have responsibility to, and shall employ counsel, and shall assume all expense with respect to, the defense or settlement of such claim.

(v) Notwithstanding Party B's assumption of the defense, Party A shall have the right to employ separate counsel and to participate in the defense of such action, and Party B shall bear the reasonable out of pocket fees, costs and expenses of such separate counsel if:

(1) other than under Part 1(i)(ii)(6) hereof, a Termination Event or Event of Default has occurred hereunder, other than a Specified Additional Termination Event;

(2) other than under Part 1(i)(ii)(6) hereof, the Term Period End Date has occurred;

(3) the result of the use of counsel chosen by Party B to represent Party A would present such counsel with a conflict of interest;

(4) the actual or potential defendants in, or targets of, any such action include Party A and Party A shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to Party B;

(5) Party B shall not have employed counsel reasonably satisfactory to Party A to represent Party B within a reasonable time after notice of the institution of such action; or

(6) Party B, in its discretion, shall authorize Party A to employ separate counsel at Party B's expense.

Party B shall not be liable under this Agreement for any amount paid by Party A to settle any claims or actions if the settlement is entered into without Party B's consent which may not be unreasonably withheld or delayed. Each of Party A and Party B hereby agrees and acknowledges that any amount in respect of indemnification payable by Party B to Party A in accordance with this Part 1(n) is an expense that may not be claimed and is not payable under the Swap Insurance Policy.

Part 2.
Agreement to Deliver Documents

For the purpose of Sections 3(d) and 4(a) of this Agreement, each party agrees to deliver the following documents:

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Party A and Party B	Evidence of the authority and true signatures of each official or representative signing this Agreement or, as the case may be, a Confirmation, on its behalf.	On or before execution of this Agreement and each Confirmation forming a part of this Agreement.	Yes
Party A	Opinion of Counsel to Party A in a form reasonably satisfactory to Party B.	On or before execution of this Agreement.	No
Party B	Covered Indenture as hereinafter defined.	On or before execution of this Agreement.	Yes
Party B	Certified copy of the resolution of Party B's Board of Directors (or equivalent authorizing documentation) authorizing the execution and delivery of this Agreement and each Confirmation and performance of its obligation hereunder.	On or before execution of this Agreement.	Yes
Party B	A copy of Party B's audited annual financial statements prepared in accordance with generally accepted accounting principles within the United States.	On or before the 365th day after the end of Party B's fiscal year.	Yes
Party B	A copy of the City's audited annual financial statements prepared in accordance with generally accepted accounting principles within the United States.	Within 15 days of public availability, but in any case no later than 365 days after the end of the City's fiscal year.	Yes
Party B	A copy of the City's quarterly financial statements.	If and when the City prepares such quarterly reports, when such quarterly reports become	Yes

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
		publicly available.	
Party B	Opinion of legal counsel to Party B substantially in the form and substance acceptable to Party A.	On or before execution of this Agreement.	No
Party B	Commitment to issue each Swap Insurance Policy (as such term is defined in Part 4 hereof).	On or before the execution of this Agreement with respect to the initial Insured Rate Swap Transaction hereunder, and thereafter on or before the Trade Date of each subsequent Insured Rate Swap Transaction.	No
Party B	Swap Insurance Policy and the Opinion of counsel to the Swap Insurer with respect to such Swap Insurance Policy.	On or before the delivery of the related 2006 Pension Funding Securities to the underwriters with respect to the initial Insured Rate Swap Transaction hereunder, and thereafter on or before execution of the Confirmation evidencing each subsequent Insured Rate Swap Transaction.	No
Party B	Confirmations, updates and additional documentation concerning the opinion of counsel, board resolutions and certificates delivered pursuant to each of the foregoing documents to be delivered as Party A may	Prior to the Effective Date of each Transaction after the initial Transaction hereunder.	Yes

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
	reasonably request.		
Party B	Certified copy of the Service Contract together with an opinion of Certificate Counsel in form and substance satisfactory to Party A which addresses each of the Sources of Payment set forth in Section 3(g) of this Agreement.	On or before execution of the Service Contract.	No
Party B	Authorizing Ordinance	On or prior to the Amendment Effective Date	No
Party B	An opinion of Lewis & Munday, a Professional Corporation, special counsel to the City and Party B, in form and substance satisfactory to Party A, including customary opinions given in connection with municipal financing transactions and addressing the items identified on Exhibit A hereto next to such counsel's name	On or prior to the Amendment Effective Date	No
Party B	An opinion of the City Corporation Counsel, in form and substance satisfactory to Party A, addressing the items identified on Exhibit A hereto next to such counsel's name.	On or prior to the Amendment Effective Date	No
Party B	An opinion of Orrick, Herrington & Sutcliffe LLP, special counsel to the City, in form and substance satisfactory to Party A, addressing the items identified on Exhibit A hereto next to such counsel's name.	On or prior to the Amendment Effective Date	No
Party B	An opinion of special tax counsel to the City, in form and substance	On or prior to the Amendment Effective	No

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
	satisfactory to Party A, addressing the items identified on Exhibit A hereto next to such counsel's name.	Date	
Party B	To the extent not duplicative with any other document to be delivered in this Part 2, each document required to be delivered under Section 2.4 of the Collateral Agreement.	On or prior to the Amendment Effective Date	Yes

Part 3.
Miscellaneous

(a) ***Addresses for Notices.*** For the purposes of Section 10(a) of this Agreement:

(i) All notices or communications to Party A shall, with respect to a particular Transaction, be sent to the address, telex number, or facsimile number reflected in the Confirmation of that Transaction, and any notice for purposes of Sections 5 or 6 shall be sent to:

UBS Securities LLC
677 Washington Boulevard
Stamford, Connecticut 06901
Attn: Municipal Derivatives
Tel: 203-719-1689
Fax: 203-719-1417

and

UBS AG, Stamford Branch
677 Washington Boulevard
Stamford, Connecticut 06901
Attn: Legal Department
Fax: 203-719-0680

(ii) All notices or communications to Party B shall be sent in care of the Contract Administrator to the address as set forth in Section 11.1 of the Contract Administration Agreement.

(iii) A copy of all notices or communications to either Party A or Party B shall be sent to the address, or facsimile number reflected below:

Syncora Guarantee Inc.
(formerly known as XL Capital Assurance Inc.)
1221 Avenue of the Americas
New York, New York 10020-1001
Attention: Surveillance
Facsimile: (212) 478-3597

(b) ***Offices.*** Party A, if it enters into a Transaction through an Office other than its head or home office represents to Party B that, notwithstanding the place of booking office or jurisdiction of incorporation or organization, the obligations of Party A are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by Party A on each date on which a Transaction is entered into.

(c) ***Calculation Agent.*** The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to the relevant Transaction.

(d) ***Credit Support Document.*** The Credit Support Annex attached hereto is a Credit Support Document with respect to Party A for all purposes hereunder and is incorporated herein by this reference. The Service Contracts and the Contract Administration Agreement (collectively, the "Covered Indenture") and the Collateral Agreement are Credit Support Documents with respect to Party B.

(e) ***Credit Support Provider.*** Credit Support Provider means: None.

(f) ***Governing Law.*** **This Agreement will be governed by and construed in accordance with the laws of the State of New York; provided, however, that the corporate powers and legal capacity of Party B shall be governed by and construed in accordance with the laws of the State of Michigan.**

(g) ***Jurisdiction.*** Section 11(b)(i) of this Agreement is deleted in its entirety and replaced by the following:

> "submits to the extent permitted by law to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in Borough of Manhattan in New York City and of the courts of the State of Michigan and the United States District Court for the Eastern District of Michigan; and"

(h) ***Waiver of Immunities.*** Section 11(c) of this Agreement is deleted in its entirety and replaced by the following:

> ***"Waiver of Immunities.*** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues, all immunity on the grounds of sovereignty or other similar grounds from (i) suit in a breach of contract action, (ii) relief by way of injunction, order for specific performance or for recovery of property and (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any Proceedings, and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any such Proceedings."

(i) ***Netting of Payments.*** Subparagraph (ii) of Section 2(c) of this Agreement will apply.

(j) ***"Affiliate"*** will have the meaning specified in Section 12 of this Agreement.

Part 4.
Other Provisions

(a) ***Set-off.*** Without affecting the provisions of the Agreement requiring the calculation of certain net payment amounts, all payments under this Agreement will be made without set-off or counterclaim; provided, however, that upon the designation of any Early Termination Date, in addition to and not in limitation of any other right or remedy (including any right to set off, counterclaim, or otherwise withhold payment or any recourse to any Credit Support Document) under applicable law the Non-defaulting Party or Non-affected Party (in either case, "X") may without prior notice to any person set off any sum or obligation (whether or not arising under this Agreement and whether matured or unmatured, whether or not contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by the Defaulting Party or Affected Party (in either case, "Y") to X or any Affiliate of X against any sum or obligation (whether or not arising under this Agreement, whether matured or unmatured, whether or not contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by X or any Affiliate of X to Y and, for this purpose, may convert one currency into another at a market rate determined by X. If any sum or obligation is unascertained, X may in good faith estimate that sum or obligation and set-off in respect of that estimate, subject to X or Y, as the case may be, accounting to the other party when such sum or obligation is ascertained.

(b) ***Additional Representations.***

(i) The first sentence of Section 3 is amended to read in its entirety as follows:

"Each party represents to each other party (which representations will be deemed to be repeated on each date on which a Transaction is entered into and, in the case of the representations in Section 3(a), 3(e) and 3(f) of this Agreement, at all times until the termination of this Agreement) the following:"

(ii) Section 3 is amended by adding the following subsections (e), (f) and (g) thereto:

(e) Non-Speculation. Party B represents and warrants to Party A that this Agreement has been, and each Transaction hereunder will be, entered into for purposes of managing of its borrowings or investments or in connection with a line of business and not for the purpose of speculation;

(f) Eligible Contract Participant. Each party is an "eligible contract participant" under, and as defined in, Section 1a(12) of the Commodity Exchange Act, as amended (7 U.S.C. § 1a(12)); and

(g) Sources of Payment. As provided in the Contract Administration Agreement, all payments due under this Agreement from Party B to Party A are payable from and secured by amounts owing by the City to Party B pursuant to

the Service Contract in respect of Hedge Payables. Such amounts are payable by the City from all available revenues of the City's General Fund (as delineated in the City's audited financial statements). If the City were to fail to pay any amount owing in respect of a Hedge Payable when due, Party A (or the Contract Administrator, if authorized by Party A to so act on Party A's behalf) could pursue remedies against the City to enforce that contractual obligation and the City would be required to pay any resulting judgment against it. If the City were to fail to provide for payment of any such judgment, a court can compel the City to raise the payment through the levy of taxes, as provided in the Revised Judicature Act of 1961, Act No. 236 of the Michigan Public Acts of 1961, as amended (Michigan Compiled Laws Section 600.6093), without limit as to rate or amount. In addition, all amounts due from Party B hereunder are secured by and payable from the Pledged Property (including, but not limited to, amounts held in the Holdback Account) in accordance with the terms of the Collateral Agreement.

(c) ***Additional Agreement.***

Compliance with Covered Indenture. Party B will observe, perform and fulfill each provision in the Covered Indenture applicable to Party B. Party B hereby agrees not to amend, supplement, modify or waive any provision of the Covered Indenture without the consent of Party A if such amendment, supplement, modification or waiver would: (i) change any of the payment times, amounts, obligations, terms or any other payment-related provision in any Service Contract applicable to the City; (ii) impair any right Party B may have under the Service Contract to enforce payments from the City, or impair any right Party A may have under the Covered Indenture to enforce its security interest granted therein or any other right thereunder; or (iii) permit the creation of any new lien ranking prior to or on a parity with, or terminate, or deprive Party A of the security afforded to it by Sections 8.02 and 8.03 of the Service Contracts or Section 2.4 of the Contract Administration Agreement (collectively, the "Incorporated Provisions"). The Incorporated Provisions are hereby incorporated by reference and made a part of this Agreement to the same extent as if such provisions were set forth herein. Any amendment, supplement, modification or waiver of any of the Incorporated Provisions without the prior written consent of the other party hereto shall have no force and effect with respect to this Agreement. Any amendment supplement or modification for which such consent is obtained shall be part of the Incorporated Provisions for purposes of this Agreement. Party B shall not assign or transfer its right or obligations under the Covered Indenture without the prior written consent of the other party hereto and the Swap Insurer.

(d) ***Relationship Between Parties.*** Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

(i) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a

recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(ii) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

(iii) Status of Parties. The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.

(e) ***Waiver of Jury Trial.*** **EACH PARTY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDINGS RELATING TO THIS AGREEMENT OR ANY CREDIT SUPPORT DOCUMENT.**

(f) ***Consent to Recording.*** Each party (i) consents to the recording of all telephone conversations between trading, operations and marketing personnel of the parties and their Affiliates in connection with this Agreement or any potential Transaction; (ii) agrees to give notice to such personnel of it and its Affiliates that their calls will be recorded; and (iii) agrees that in any Proceedings, it will not object to the introduction of such recordings in evidence on grounds that consent was not properly given.

(g) ***Scope of Agreement.*** The Transactions entered into between the parties between June 7, 2006 and June 13, 2006 and any other specific Specified Transactions designated in writing by the parties hereto after the date hereof, shall be subject to the terms hereof.

(h) ***Indemnification Limited to Extent of Applicable Law.*** The parties acknowledge that Party B's authority to indemnify Party A, as required by Section 9 of the Agreement, for expenses, fees and taxes may be limited by Michigan law and Party B's obligation to indemnify Party A could be limited to the extent of applicable law.

(i) ***Additional Definitions.*** Section 12 is hereby amended by adding the following definitions:

"2006 Funding Trust" shall have the meaning specified in the Collateral Agreement.

"2006 Pension Funding Securities" shall have the meaning specified in the Collateral Agreement.

"2006 Transactions" shall have the meaning specified in the Collateral Agreement.

"Accounts" shall have the meaning specified in the Collateral Agreement.

"Accrued Service Charges" shall have the meaning specified in the Service Contracts.

"Amendment Effective Date" means June 26, 2009.

"Authorizing Ordinance" shall have the meaning specified in the Collateral Agreement.

"Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq.

"Casino Licensee" shall have the meaning specified in the Collateral Agreement.

"City" means the City of Detroit, Michigan.

"City Charter" means the Charter of the City of Detroit, Michigan.

"City Clerk" means the Clerk of the City of Detroit, Michigan.

"City Council" means the Council of the City of Detroit, Michigan.

"City Payment" shall have the meaning specified in the Collateral Agreement.

"City Pledge" shall have the meaning specified in the Collateral Agreement.

"Closing Date" shall have the meaning specified in the Collateral Agreement.

"Collateral Agreement" means that certain Collateral Agreement dated as of June 15, 2009, among Party A, Party B, PFRS, SBS, the City, U.S. Bank National Association and Merrill Lynch Capital Services, Inc.

"Collateral Agreement Custodian" means the person identified as the "custodian" under the Collateral Agreement and any successor thereto.

"Contract Administration Agreement" means the Contract Administration Agreement 2006 dated June 12, 2006 among Detroit Retirement Systems Funding Trust 2006, Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation, severally and not jointly, U.S. Bank National Association, separately and not as Trustee of the Detroit Retirement Systems Funding Trust 2006 and the Hedge Counterparties Named Therein.

"Counterparty(ies)" shall have the meaning specified in the Collateral Agreement.

"Covered Indenture" means the Service Contracts together with the Contract Administration Agreement.

"Definitive Documents" shall have the meaning specified in the Collateral Agreement.

"Detroit General Retirement System Service Contract" means the Detroit General Retirement System Service Contract dated June 7, 2006 between Party B and the City.

"Detroit Police and Fire Retirement System Service Contract" means the PFRS Service Contract dated June 7, 2006 between the Detroit Police and Fire Retirement System Service Corporation and the City.

"Developer" shall have the meaning specified in the Collateral Agreement.

"Developer Agreement" shall have the meaning specified in the Collateral Agreement.

"Excluded Indebtedness" shall have the meaning specified in the Collateral Agreement.

"Finance Director" shall have the meaning specified in the Collateral Agreement.

"Fiscal Year" shall have the meaning specified in the Collateral Agreement.

"General Receipts Subaccount" shall have the meaning specified in the Collateral Agreement.

"Hedge" shall have the meaning specified in the Collateral Agreement.

"Hedge Payable" shall have the meaning specified in the Service Contracts.

"Hedge Periodic Payables" shall have the meaning specified in the Service Contracts.

"Holdback Account" shall have the meaning specified in the Collateral Agreement.

"Holdback Requirement" shall have the meaning specified in the Collateral Agreement.

"Irrevocable Instructions" shall have the meaning specified in the Collateral Agreement.

"MCL" means the Michigan Compiled Laws.

"Month" shall have the meaning specified in the Collateral Agreement.

"Moody's" means Moody's Investors Service, Inc.

"Office" means a branch or office of a party, which may be such party's head or home office.

"PFRS" means the Detroit Police and Fire Retirement System Service Corporation.

"Pledged Property" shall have the meaning specified in the Collateral Agreement.

"Property Tax Threshold" shall have the meaning specified for the "Threshold" in the Collateral Agreement.

"Quarterly Coverage" shall have the meaning specified in the Collateral Agreement.

"Ratings Upgrade" shall have the meaning specified in the Collateral Agreement.

"Regular Custodian Payment" shall have the meaning specified in the Collateral Agreement.

"Regular Scheduled Payments" shall have the meaning specified in the Service Contracts.

"Revenues" shall have the meaning specified in the Collateral Agreement.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"SBS" means SBS Financial Products Company, LLC.

"Service Charges" shall have the meaning specified in the Service Contracts.

"Service Contracts" means the Detroit General Retirement System Service Contract and the Detroit Police and Fire Retirement System Service Contract.

"Service Corporations" means Party B and PFRS.

"Service Corporation Pledge" shall have the meaning specified in the Collateral Agreement.

"Service Corporation Security Interest" shall have the meaning specified in the Collateral Agreement.

"Settlement Transaction" shall have the meaning specified in the Collateral Agreement.

"Sinking Fund Installments" shall have the meaning specified in the Service Contracts.

"Specified Additional Termination Event" means each of the Additional Termination Events specified in Parts 1(i)(ii)(3), 1(i)(ii)(4), 1(i)(ii)(5), 1(i)(ii)(9) and 1(i)(ii)(10) of this Amended and Restated Schedule.

"Specified Event" shall have the meaning specified in the Collateral Agreement.

"Swap Counterparties" means, collectively, Party A and SBS and their respective successors and assigns.

"Swap Insurance Policy" means the Insurance Policy issued by the Swap Insurer with respect to the Transaction(s) between Party A and Party B entered into pursuant to this Agreement.

"Swap Insurer" means Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc).

"Term Payment Period" shall have the meaning specified in the Collateral Agreement.

"Term Period End Date" shall have the meaning specified in the Collateral Agreement.

"Wagering Taxes" shall have the meaning specified in the Collateral Agreement.

"Wagering Tax Property" shall have the meaning specified in the Collateral Agreement.

"Wagering Tax Revenue Statute" means the Michigan Gaming Control and Revenue Act, being MCL 432.201 et seq., MSA 18.969(201), et seq., as amended.

Part 5.
Insurer Provisions

The following provisions shall apply to any Transactions for which the Swap Insurance Policy has been issued by the Swap Insurer, for the account of Party B, as principal, and Party A, as beneficiary (the "Insured Rate Swap Transactions"):

(i) Designation of Early Termination Date. Notwithstanding anything to the contrary in Section 6 of this Agreement, if any:

(a) Event of Default in respect of any Insured Rate Swap Transaction under this Agreement occurs; or

(b) Termination Event (other than the Additional Termination Events set forth in Part 5(ii) below) in respect of any Insured Rate Swap Transaction under this Agreement occurs;

then, in either such case, neither Party A nor Party B shall designate an Early Termination Date pursuant to Section 6 of this Agreement in respect of any such Insured Rate Swap Transaction without the prior written consent of the Swap Insurer.

(ii) Party B Additional Termination Events. The following shall each constitute an Additional Termination Event:

(a) the Swap Insurer fails to meet its payment obligations under the Swap Insurance Policy and such failure is continuing with respect to the Swap Insurer under the Swap Insurance Policy; or

(b) the Swap Insurer fails to have a claims-paying ability rating of at least "A-" from S&P or a financial strength rating of at least "A3" from Moody's; provided, however, that additionally:

(X) an Event of Default has occurred or is continuing with respect to Party B as the Defaulting Party; or

(Y) a Termination Event has occurred or is continuing with respect to Party B as the Affected Party; or

(c) An Insurer Event has occurred and is continuing provided, however, that additionally:

(X) an Event of Default has occurred or is continuing with respect to Party B as the Defaulting Party: or

(Y) a Termination Event has occurred or is continuing with respect to Party B as the Affected Party.

Any of the following shall be considered an "Insurer Event":

(1) the Swap Insurer is in conservation, liquidation or receivership under the New York Insurance Laws; or

(2) the Swap Insurer (a) fails to have (1) a claims-paying ability rating of at least "AAA" from S&P, or (2) a financial strength rating of at least "Aaa" from Moody's; and (b) fails to pay obligations for indebtedness for money borrowed or to meet then-current policy obligations for which claims have been properly presented in a aggregate amount in excess of $100,000,000, which failure to make payment (in whole or in part) is not due to: (u) administrative error; (v) Swap Insurer action to contest a claim; (w) an order from, or action by, a regulator of the Swap Insurer which forbids, delays or impedes such payment, except in connection with a Swap Insurer insolvency, conservation or receivership; (x) the occurrence of an act of God which prevents such payment; (y) the usual mechanisms or channels employed to make such payment being unavailable to the Swap Insurer through no fault of the Swap Insurer; (z) a statute, rule or order (including, but not limited to exchange controls) which forbids, delays or impedes either (i) such payment, other than in connection with a Swap Insurer insolvency, conservation or receivership, or (ii) the acquisition of, or payment in, a currency required in order to make such payment.

For purposes of any Additional Termination Event described under this Part 5(ii), the sole "Affected Party" shall be Party B.

(iii) Insurer Directed Termination. Notwithstanding anything in this Agreement, if an Event of Default under this Agreement occurs with respect to Party B as the Defaulting Party or any Termination Event under this Agreement occurs with respect to Party B as the Affected Party, then the Swap Insurer (so long as it has not failed to make any payment under the terms and conditions of the Swap Insurance Policy) shall have the right (but not the obligation) upon notice to Party A to designate an Early Termination Date with respect to Party B with the same effect as if such designation were made by Party A. For purposes of the foregoing sentence, an Event of Default with respect to Party B shall be considered to be continuing, notwithstanding any payment by the Swap Insurer under the Swap Insurance Policy. Party A and Party B acknowledge that, except as the Swap Insurance Policy may be otherwise endorsed, unless (x) the Swap Insurer designates an Early Termination Date (as opposed to merely consenting to such designation by one of the parties) or (y) an Additional Termination Event specified in Part 5(ii)(a) or (b) has occurred, payments due from Party B because an Early Termination Date has been designated will not be insured. In any event, the parties acknowledge that pursuant to the Swap Insurance Policy that (i) the amount payable by the Swap Insurer in respect of payments due from Party B because an Early Termination Date has been designated by the Swap Insurer shall not be limited in amount, and (ii) the amount payable by the Swap Insurer in respect of payments due from Party B because an Early Termination Date has been designated by Party A shall not exceed the amount specified in the Swap Insurance Policy.

(iv) ***Amendments.*** Section 8(b) of the Agreement is hereby amended by (A) adding the words "or any Credit Support Document" after the word "Agreement" in the first line thereof and (B) adding the phrase "and the Swap Insurer" following the words "parties" in the third line thereof.

(v) ***Transfers/Assignments.*** Notwithstanding Section 7 of the Agreement, neither party may transfer, assign or delegate its rights or duties with respect to an Insured Rate Swap Transaction under the Agreement, unless it receives the prior written consent of the Swap Insurer; provided, however, that Party A may assign or delegates its rights and duties without the Swap Insurer's prior written consent to a party (a) that meets the definition of "Reference Market Maker" (other than the ratings requirement set forth therein) and that has long-term senior unsecured debt ratings at least in the single –A category from Moody's and S&P or the Credit Support Provider of such party has claims paying ability ratings or financial strength ratings at least in the single – A category from Moody's and S&P and (b) that assumes the rights and duties of Party A pursuant to a master agreement that is substantially similar to this Agreement and in form and substance satisfactory to the Swap Insurer; and provided, further, that Party A may make such an assignment or delegation to an affiliate of Party A if Party A or its Credit Support Provider, provides a guarantee of the Insured Rate Swap Transaction that is acceptable in form and substance to the Swap Insurer.

(vi) ***No Suspension of Payments,*** Notwithstanding Section 2(a)(iii) of this Agreement, Party A shall not suspend any payments due under an Insured Rate Swap Transaction under Section 2(a)(iii) of the Agreement unless Party A has designated an Early Termination Date pursuant to the terms hereof.

(vii) ***No Netting.*** Notwithstanding Section 2(c) of this Agreement, in no event shall either Party A or Party B be entitled to net its payment obligations in respect of the Insured Rate Swap Transactions against the payment obligations of the other party in respect of other Transactions under this Agreement if such Transactions are not Insured Rate Swap Transactions, nor may either Party A or Party B net the payment obligations of the other party under Transactions that are not Insured Rate Swap Transactions against the payment obligations of such party under Insured Rate Swap Transactions, it being the intention of the parties that their payment obligations under Insured Rate Swap Transactions be treated separate and apart from all other Transactions. Section 6(e) of this Agreement shall apply to all Insured Rate Swap Transactions with the same effect as if the Insured Rate Swap Transactions constituted a single master agreement, Notwithstanding Section 6(e) of this Agreement, the amount payable under Section 6(e) of this Agreement upon the termination of any Insured Rate Swap Transactions shall be determined without regard to any Transactions other than the Insured Rate Swap Transactions, it being the intention of the parties that their payment obligations under the Insured Rate Swap Transactions be treated separate and apart from all other Transactions unless otherwise agreed to in writing by the Swap Insurer.

(viii) ***No Set-off for Counterclaim.*** In no event shall either Party A or Party B be entitled to set-off its payment obligations in respect of an Insured Rate Swap Transaction against the payment obligations of the other party (whether by counterclaim or otherwise) under any other agreement(s) between Party A and Party B or instrument(s) or undertaking(s) issued or executed by one party to, or in favor of, the other party, if such obligations are not Insured Rate Swap Transactions, or net the payment obligations of the other party that are not with respect to

Insured Rate Swap Transactions against the payment obligations of such party under Insured Rate Swap Transactions, it being the intention of the parties that their payment obligations under Insured Rate Swap Transactions be treated separate and apart from all other obligations. Notwithstanding Section 6(e) of this Agreement, the amount payable under Section 6(e) of this Agreement upon the termination of any Insured Rate Swap Transaction shall be determined without regard to any obligation other than those under the Insured Rate Swap Transactions, it being the intention of the parties that their payment obligations under the Insured Rate Swap Transactions be treated separate and apart from all other obligations unless otherwise specified in such other obligation and agreed to in writing by the Swap Insurer.

(ix) ***Party A — Notice of Rating Downgrade, Suspension or Withdrawal.*** Party A shall provide written notice to Party B and to the Swap Insurer of any downgrade, withdrawal or suspension of Party A's long-term senior unsecured debt rating, within 15 Business Days of the occurrence of such event. Failure of Party A to provide such notice shall not constitute an Event of Default under this Agreement.

(x) ***Representations and Agreements.*** Each party agrees that each of its representations and agreements in this Agreement is expressly made to and for the benefit of the Swap Insurer.

(xi) ***Third-party Beneficiary.*** Party A and Party B hereby each acknowledge and agree that the Swap Insurer shall be an express third-party beneficiary (and not merely an incidental third-party beneficiary) of this Agreement and of the obligations of each such party under any Insured Rate Swap Transaction, and as such, entitled to enforce the Agreement and the terms of any such Insured Rate Swap Transaction against such party on its own behalf and otherwise shall be afforded all remedies available hereunder or otherwise afforded by law against the parties hereto to redress any damage or loss incurred by the Swap Insurer including, but not limited to, fees (including professional fees), costs and expenses incurred by the Swap Insurer which are related to, or resulting from any breach by such party of its obligations hereunder.

(xii) ***Policy Coverage.*** Party A and Party B hereby acknowledge and agree that the Swap Insurer's obligation with respect to Insured Rate Swap Transactions shall be limited to the terms of the Swap Insurance Policy, Notwithstanding Section 2(d) or any other provision of this Agreement, the Swap Insurer shall not have any obligation to pay interest on any amount payable by Party B under this Agreement.

(xiii) ***Subrogation.*** Party A and Party B hereby acknowledge that to the extent of payments made by the Swap Insurer to Party A under the Swap Insurance Policy, the Swap Insurer shall be fully subrogated to the rights of Party A against Party B under the Insured Rate Swap Transaction to which such payments relate, including, but not limited to, the right to receive payment from Party B and the enforcement of any remedies. Party A hereby agrees to assign to the Swap Insurer its right to receive payment from Party B under any Insured Rate Swap Transaction to the extent of any payment thereunder by the Swap Insurer to Party A. Party B hereby acknowledges and consents to the assignment by Party A to the Swap Insurer of any rights and remedies that Party A has under any Insured Rate Swap Transaction or any other document executed in connection herewith.

(xiv) Isolation of Insured Rate Swap Transactions in Designating an Early Termination Date.

(a) Notwithstanding Section 6 of this Agreement, any designation of an Early Termination Date in respect of non-Swap Insurer Insured Rate Swap Transactions by Party A or Party B shall not apply to any Insured Rate Swap Transactions under this Agreement, unless expressly provided in such designation and agreed to in writing by the Swap Insurer.

(b) Notwithstanding Section 6 of this Agreement, any designation of an Early Termination Date In respect of the Insured Rate Swap Transactions by the Swap Insurer or by Party A or Party B shall apply only to the Insured Rate Swap Transactions and not to any other Transaction under this Agreement, unless expressly provided in such designation and agreed to in writing by the Swap Insurer. Nothing contained in this Part 5(xiv) shall affect the rights of Party A under this Agreement to designate an Early Termination Date in respect of any Transaction that is not an Insured Rate Swap Transaction, which designation shall not apply to the Insured Rate Swap Transactions.

(xv) Expenses. Party B agrees to reimburse the Swap Insurer immediately and unconditionally upon demand for all reasonable expenses incurred by the Swap Insurer in connection with the issuance of the Swap Insurance Policy and the enforcement by the Swap Insurer of Party B's obligations under this Agreement and any other documents executed in connection with the execution and delivery of this Agreement, including, but not limited to, fees (including professional fees), costs and expenses incurred by the Swap Insurer which are related to, or resulting from, any breach by Party B of its obligations hereunder.

(xvi) Notices. A copy of each notice or other communication between the parties with respect to this Agreement must be forwarded to the Swap Insurer by the party distributing such notice or other communication and any such notice or other communication shall not be effective as to the parties hereto until it has been received by the Swap Insurer.

(xvii) Reference Market-makers. The definition of "Reference Market-makers" set forth in Section 12 of the Agreement shall be amended in its entirety to read as follows:

"Reference Market-makers" means four (4) leading dealers in the relevant swap market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time of deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among dealers having an office in the same metropolitan area. The rating classification assigned to any outstanding long-term senior debt securities of such dealers shall be at least (1) "Al" or higher as determined by Moody's, (2) "A+" or higher as determined by S&P or if not rated by one of S&P or Moody's, (3) an equivalent investment grade rating determined by a nationally-recognized rating service acceptable to both parties, provided, however, that in any case, if Market Quotations cannot be determined by four (4) such dealers, the party making the determination of the Market Quotation may designate, with the consent of the other party and the Swap Insurer, one (1) or more leading dealers whose long-term senior debt bears a lower investment grade rating or the parties may agree, with the consent of the Swap Insurer, to use fewer than four (4) leading dealers.

*(xviii) **Party A Delivery of Legal Opinion.*** Party A will be required to deliver a legal opinion with respect to its power and authority to enter into the Agreement and to the enforceability of the Agreement, satisfactory in form and substance to the Swap Insurer, with the Swap Insurer as an addressee.

*(xix) **Additional Representations of Party B.*** Party B hereby further represents to Party A (which representations will be deemed to be repeated by Party B at all times until the termination of this Agreement) that:

(i) This Agreement has been, and each Transaction hereunder will be (and, if applicable, has been), entered into for the purposes of managing its borrowings and not for purposes of speculation.

(ii) Party B has taken all steps necessary or advisable to create the security and source of payment for Party B's obligations hereunder described in Section 3(g) of the Agreement.

(iii) Any Transaction entered into pursuant to this Agreement together with any transactions that Party B has or may enter into with Party A and/or with any or all other parties does not and will not violate or exceed any limits or restrictions contained in any authorizations, approvals or resolutions of the board of directors, shareholders or other authorized body of Party B.

(iv) The execution and delivery by Party B of this Agreement, each Confirmation and any other documentation relating hereto, and the performance of Party B of its obligations hereunder and thereunder, are in furtherance, and not in violation, of the municipal purposes for which Party B is organized pursuant to the laws of the State of Michigan.

(v) This Agreement and each Transaction hereunder do not constitute any kind of investment by Party B that is proscribed by any constitution, charter, law, rule, regulation, government code, constituent or governing instrument, resolution, guideline, ordinance, order, writ, judgment, decree, charge, or ruling to which Party B (or any of its officials in their respective capacities as such) or its property is subject.

*(xx) **Optional Early Termination.*** Party A shall have the right to terminate one or more Transactions hereunder, either in whole or in part, on any Business Day; *provided* that no Event of Default or Termination Event is then occurring with respect to which Party A is the Defaulting Party or sole Affected Party, by providing at least five (5) Business Days' prior written notice to Party B of its election to terminate and its designation of the effective date of termination (the "Party A Optional Early Termination Date"). On the Party A Optional Early Termination Date, Party A shall determine the amount payable in connection with such termination as the greater of (i) zero and (ii) the amount calculated in accordance with Section 6(e) of the Agreement, as if (A) the Party A Optional Early Termination Date were the Early Termination Date with respect to the terminated Transaction(s) or portion thereof, (B) the terminated Transaction(s) were the sole Affected Transaction(s), (C) Party B were the sole Affected Party and (D) Second Method

and Loss applied. For the avoidance of doubt, in no event will Party B owe any amount to Party A in connection with an election by Party A to exercise its option under this Part 5(xx), other than any Unpaid Amounts

[Intentionally left blank. Signature page follows.]

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

UBS AG

By: Marie-Anne Clarke
Name: Marie-Anne Clarke
Title: Executive Director and Counsel
Date: June 26, 2009 Region Americas Legal
Fixed Income Section

By:
Name: James B. Fuqua
Title: Managing Director and Counsel
Date: June 26, 2009 Region Americas Legal

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By:
Name: Norman L. White
Title: President
Date: June 26, 2009

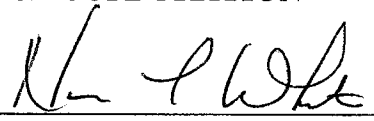
Please confirm your agreement to the terms of the foregoing Schedule by signing below.

UBS AG

By:_____
Name:
Title:
Date:

By:_____
Name:
Title:
Date:

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By: 
Name: Norman L. White
Title: President
Date: June 26, 2009

SCHEDULE OF OPINIONS

Lewis & Munday, a Professional Corporation	• The Settlement Transaction will not cause the City to violate or exceed any applicable debt limit or constitute or create any "indebtedness" of the City within the meaning of any limitation of the Home Rule City Act (Act 279 of the Public Acts of Michigan of 1909, as amended) or any Michigan constitutional or other non-tax statutory or City Charter limitation, • the Authorizing Ordinance was duly adopted in accordance with state law and City Charter requirements, is in effect as of the Closing Date, has not been amended, and is valid, binding, and enforceable (subject, in each case, to bankruptcy and other customary exceptions), • the City Pledge, including the lien of the City Pledge established pursuant to the Authorizing Ordinance, is valid, binding and enforceable and the Service Corporation Pledge is valid, binding, enforceable and perfected (subject, in each case, to bankruptcy and other customary exceptions), • the definitive agreements entered into in connection with the Settlement Transaction are valid, binding and enforceable (subject, in each case, to bankruptcy and other customary exceptions), • the pledge and use of Pledged Property as contemplated in the Settlement Transaction will constitute authorized purposes under the Wagering Tax Revenue Statute (including, if applicable at the time, any regulation or ordinance, other than the Authorizing Ordinance, relating thereto), the Authorizing Ordinance and Section 18-14-1 et seq. of the Detroit City Code, • the pledge and use of the Pledged Property as contemplated by the Settlement Transaction does not and shall not "supplant existing...local expenditures" as prohibited by Section 12(14) of the Wagering Tax Revenue Statute, • the Settlement Transaction and any other transactions to be consummated in connection therewith are not subject to approval by vote of the electors of the City and are not

	subject to any right of referendum by City electors; and • any actions taken by the City Council, in connection with the Settlement Transaction, by resolution, in lieu of ordinance, are fully valid, binding and enforceable against the City, notwithstanding that such actions were taken by resolution instead of by ordinance (subject, in each case, to bankruptcy and other customary exceptions).
Orrick, Herrington & Sutcliffe LLP	The Wagering Tax Property constitute "special revenues" as defined in Bankruptcy Code §902(2) with respect to any case under Chapter 9 of the Bankruptcy Code in which the City or a Service Corporation is the debtor (subject to assumptions, qualifications, and limitations as are customary for bankruptcy opinions).
Special tax counsel to the City	Consummation of the Settlement Transaction (including any amendments of the Service Contracts in connection therewith) will not result in (i) the 2006 Funding Trust being treated as other than a grantor trust under Subpart E, Part I of Subchapter J of the Internal Revenue Code of 1986, as amended, (ii) the Service Charges and Regular Scheduled Payments failing to constitute payments in respect of indebtedness for U.S. federal income tax purposes, or (iii) otherwise any modifications, adverse to the City, the Service Corporations, the holders of the 2006 Pension Funding Securities or the Counterparties, to the conclusions reached in the tax opinions given in connection with the outstanding transactions.
City Corporation Counsel	Relying upon certifications of the City Clerk, the City Charter and any amendments thereto were duly approved by a majority of the City electors voting thereon and the City Charter and any such amendments have not been rescinded in whole or in part as of the Closing Date (subject to bankruptcy and other customary exceptions).

Capitalized terms used but not otherwise defined in this Exhibit A shall have the meanings ascribed to them in them in the Collateral Agreement.

EXHIBIT C

139083v1
(Local Currency-Single Jurisdiction)

ISDA®

International Swaps and Derivatives Association, Inc.

MASTER AGREEMENT

dated June 7, 2006

SBS Financial Products Company, LLC and Detroit General Retirement System Service Corporation have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement (the "Master Agreement"), which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:—

1. Interpretation

(a) ***Definitions***. The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) ***Inconsistency***. In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) ***Single Agreement***. All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) ***Change of Account.*** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) ***Netting.*** If on any date amounts would otherwise be payable:—

(i) in the same currency; and

(ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of branches or offices through which the parties make and receive payments or deliveries.

(d) ***Default Interest; Other Amounts.*** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:—

(a) ***Basic Representations.***

(i) ***Status.*** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;

(ii) ***Powers.*** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support

Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance;

(iii) ***No Violation or Conflict***. Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) ***Consents***. All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) ***Obligations Binding***. Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) ***Absence of Certain Events***. No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) ***Absence of Litigation***. There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) ***Accuracy of Specified Information***. All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) ***Furnish Specified Information***. It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) ***Maintain Authorizations***. It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) ***Comply with Laws***. It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

5. Events of Default and Termination Events

(a) ***Events of Default.*** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) ***Failure to Pay or Deliver.*** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) ***Breach of Agreement.*** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) or to give notice of a Termination Event) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) ***Credit Support Default.***

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) ***Misrepresentation.*** A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) ***Default under Specified Transaction.*** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) ***Cross Default.*** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to

Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) ***Bankruptcy***. The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) ***Merger Without Assumption***. The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:—

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) ***Termination Events***. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below

constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below:—

(i) ***Illegality***. Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):—

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) ***Credit Event Upon Merger***. If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) ***Additional Termination Event***. If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) ***Event of Default and Illegality***. If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) ***Right to Terminate Following Event of Default***. If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) ***Right to Terminate Following Termination Event.***

(i) ***Notice.*** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) ***Two Affected Parties.*** If an Illegality under Section 5(b)(i)(1) occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) ***Right to Terminate.*** If:—

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii), a Credit Event Upon Merger or an Additional Termination Event occurs;

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) ***Calculations.***

(i) ***Statement.*** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) ***Payment Date.*** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the

amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) ***Payments on Early Termination.*** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss," and a payment method, either the "First Method" or the "Second Method." If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method," as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) ***Events of Default.*** If the Early Termination Date results from an Event of Default:—

(1) *First Method and Market Quotation.* If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) *First Method and Loss.* If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) *Second Method and Market Quotation.* If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss.* If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) ***Termination Events.*** If the Early Termination Date results from a Termination Event:—

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties:—

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) ***Adjustment for Bankruptcy.*** In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) ***Pre-Estimate.*** The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Miscellaneous

(a) ***Entire Agreement.*** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) ***Amendments.*** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) ***Survival of Obligations.*** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) ***Remedies Cumulative.*** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) ***Counterparts and Confirmations.***

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) ***No Waiver of Rights.*** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) ***Headings.*** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

9. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

10. Notices

(a) ***Effectiveness.*** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

(i) if in writing and delivered in person or by courier, on the date it is delivered;

(ii) if sent by telex, on the date the recipient's answerback is received;

(iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or

(v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) ***Change of Addresses.*** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

11. Governing Law and Jurisdiction

(a) ***Governing Law.*** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) ***Jurisdiction.*** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:—

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) ***Waiver of Immunities.*** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

12. Definitions

As used in this Agreement:—

"Additional Termination Event" has the meaning specified in Section 5(b).

"Affected Party" has the meaning specified in Section 5(b).

"Affected Transactions" means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Rate" means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"consent" includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iii).

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Illegality" has the meaning specified in Section 5(b).

"law" includes any treaty, law, rule or regulation and *"lawful"* and *"unlawful"* will be construed accordingly.

"Local Business Day" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is

to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"Loss" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotation" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"Non-default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Reference Market-makers" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"Scheduled Payment Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"Set-off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"Settlement Amount" means, with respect to a party and any Early Termination Date, the sum of:—

(a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"Specified Entity" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Terminated Transactions" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"Termination Event" means an Illegality or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early

Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By: _____
Name: John Carter
Title: President

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By: _____
Name: John Carter
Title: President

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By: _____
Name: Roger Short
Title: President

EXHIBIT D

AMENDED AND RESTATED SCHEDULE
DATED AS OF JUNE 26, 2009
TO THE
1992 ISDA MASTER AGREEMENT
LOCAL CURRENCY SINGLE JURISDICTION
DATED AS OF
JUNE 7, 2006

(General Retirement System/Syncora)

BETWEEN

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company ("Party A")	and	**DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION,** a not-for-profit corporation organized under the laws of the State of Michigan ("Party B")

Part 1.

Termination Provisions

In this Agreement:

(a) "***Specified Entity***" means in relation to Party A for the purpose of:

Section 5(a)(v),	NONE
Section 5(a)(vi),	NONE
Section 5(a)(vii),	NONE
Section 5(b)(ii),	NONE

and in relation to Party B for the purpose of:

Section 5(a)(v),	NONE
Section 5(a)(vi),	NONE
Section 5(a)(vii),	NONE
Section 5(b)(ii),	NONE

(b) ***"Specified Transaction"*** will have the meaning specified in Section 12 of this Agreement.

(c) The ***"Cross Default"*** provisions of Section 5(a)(vi) of this Agreement, as modified below, will apply to Party A and to Party B. Section 5(a)(vi) of this Agreement is hereby amended by the addition of the following at the end thereof:

"*provided, however*, that notwithstanding the foregoing, an Event of Default shall not occur under either (1) or (2) above if, as demonstrated to the reasonable satisfaction of the other party, (a) the event or condition referred to in (1) or the failure to pay referred to in (2) is a failure to pay caused by an error or omission of an administrative or operational nature; and (b) funds were available to such party to enable it to make the relevant payment when due; and (c) such relevant payment is made within three Business Days following receipt of written notice from an interested party of such failure to pay."

If such provisions apply:

"Specified Indebtedness" means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of any money.

"Threshold Amount" means:

(i) with respect to Party A, an amount equal to 2% of shareholders' equity (howsoever described) of Party A as shown on the most recent annual audited financial statements of Party A and

(ii) with respect to Party B, $10,000,000.

(d) ***The "Credit Event Upon Merger"*** provisions of Section 5(b)(ii) will apply to Party A and Party B, amended as follows:

"Credit Event Upon Merger" shall mean that a Designated Event (as defined below) occurs with respect to a party, any Credit Support Provider of the party or any applicable Specified Entity (any such party or entity, "X"), and such Designated Event does not constitute an event described in Section 5(a)(viii) but the creditworthiness of X, or, if applicable, the successor, surviving or transferee entity of X, is materially weaker than that of X immediately prior to such event. In any such case the Affected Party shall be the party with respect to which, or with respect to the Credit Support of which, the Designated Event occurred, or, if applicable, the successor, surviving or transferee entity of such party. For purposes hereof, a Designated Event means that, after the date hereof:

(i) X consolidates, amalgamates with or merges with or into, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity; or

(ii) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X or otherwise acquires directly or indirectly the power to control the policy-making decisions of X."

(e) ***The "Automatic Early Termination"*** provision of Section 6(a) will not apply to Party B and will apply to Party A; *provided, however*, that with respect to a party, where the Event of Default specified in Section 5(a)(vii)(1), (3), (4), (5), (6) or to the extent analogous thereto, (8) is governed by a system of law which does not permit termination to take place after the occurrence

of the relevant Event of Default, then the Automatic Early Termination provisions of Section 6(a) will apply to such party or Party B.

(f) ***"Payments on Early Termination".*** For the purpose of Section 6(e) of this Agreement:

(i) Market Quotation will apply.

(ii) The Second Method will apply, except as modified as provided in Parts 6 and 7 hereof.

(g) "Termination Currency" means U.S. Dollars.

(h) There shall be added to Section 5(a) of the Agreement the following Events of Default:

"(ix) Authority; Repudiation. Party B shall cease to have authority to make payments under this Agreement or any Transaction subject to this Agreement, or any government entity having jurisdiction over Party B shall enact any legislation which would have the effect of repudiating this Agreement or any Transaction subject to this Agreement."

"(x) Amounts payable by Party B to Party A hereunder shall cease to be payable and secured in accordance with the terms specified in Part 4(b)(ii)(g) of this Schedule."

(i) ***"Additional Termination Event"*** will apply to Party A and to Party B. In addition to the Additional Termination Events set forth in Part 5 of this Schedule, the following shall constitute Additional Termination Events.

(i) ***Party A Additional Termination Events.*** Party A or its Credit Support Provider's long-term senior unsecured debt rating from (a) S&P is withdrawn, suspended or falls below "BBB-", or (b) Moody's is withdrawn, suspended or falls below "Baa3".

For purposes of the foregoing Termination Event in this Part 1(i)(i), the sole Affected Party shall be Party A and all Transactions shall be Affected Transactions.

(ii) ***Party B Additional Termination Events.***

(1) The City Payments made in any Month, in aggregate, are less than the Holdback Requirement for such Month; or

(2) The City fails to make an appropriation in the City's final annual budget adopted pursuant to and in compliance with the City Charter prior to the commencement of any Fiscal Year and to maintain such appropriation without limitation, transfer or reduction throughout such Fiscal Year, on a line item basis authorizing exclusively payment of the City Payments and as a "first budget" obligation, of an amount at least equal to the Regular Custodian Payments scheduled to become due during the Fiscal Year plus an amount equal to *the greater* of (X) the amount of the Hedge Periodic Payables under the Hedges scheduled to become due during the Fiscal Year without giving effect to any netting and (Y) for the first Fiscal Year

commencing July 1, 2009, $49,936,975 and, for each subsequent Fiscal Year thereafter, $50,736,975; or

(3) The Quarterly Coverage as of the end of any Month is less than 1.75; or

(4) Either (1) the unenhanced rating on the 2006 Pension Funding Securities assigned by S&P falls below "BB" or the unenhanced rating on the 2006 Pension Funding Securities assigned by Moody's falls below "Ba2" and as of the immediately preceding Month's end the Quarterly Coverage is 2.15 or less, or (2) the unenhanced rating on the 2006 Pension Funding Securities assigned by S&P is withdrawn, suspended or reduced below "BB-" or the unenhanced rating on the 2006 Pension Funding Securities assigned by Moody's is withdrawn, suspended or reduced below "Ba3"; or

(5) At any time following a Ratings Upgrade, the unenhanced rating on the 2006 Pension Funding Securities is withdrawn, suspended or reduced below "BBB-" by S&P or withdrawn, suspended or reduced below "Baa3" by Moody's; or

(6) The City, a Service Corporation, or a third party shall commence litigation or take any other judicial action, or any legislative action is taken, to set aside or avoid or limit the 2006 Transaction, the City Pledge, the Service Corporation Security Interest, or the Service Corporation Pledge or any other part of the Definitive Documents or the Settlement Transaction (other than with respect to a Developer Agreement), or if the Authorizing Ordinance or any part thereof shall be amended (without the consent of Party A), revoked, rescinded, nullified or suspended for any reason; or

(7) The City shall rescind, reduce or cease to impose the tax currently imposed as of the Amendment Effective Date by Section 18-14-3 of the Detroit City Code or the City, within two Business Days following the earlier to occur of notice from the Collateral Agreement Custodian that a taxpayer has inadvertently or erroneously paid the Wagering Tax Property directly to the City or the Finance Director learning of such payment, shall fail to transfer by wire transfer in same day funds to the Collateral Agent Custodian for deposit into the General Receipts Subaccount such payment. However, the rescinding of such tax shall not result in a Termination Event hereunder if such tax is then collected by the State of Michigan pursuant to Section 12(1) of the Wagering Tax Revenue Statute and an amount of such collections equal to or greater than the tax imposed as of the Amendment Effective Date is paid to the Collateral Agreement Custodian under arrangements satisfactory to Party A; or

(8) The City fails to pay any Service Charges, Accrued Service Charges, Regular Scheduled Payments or Sinking Fund Installments as and when due and payable under either Service Contract; or

(9) The City fails to pay when due any principal of, or interest on, any indebtedness for borrowed money, other than Excluded Indebtedness, aggregating $1,000,000 or more or any other event shall occur the effect of which is to cause, or to permit the holder or holders of such indebtedness (or a trustee or agent on behalf of such holder or holders) to cause such indebtedness to become due, or to be prepaid in full (whether by redemption, purchase, offer to purchase or otherwise), prior to its stated maturity, in each case after giving effect to any applicable grace period requiring notice or the lapse of time or both; or

(10) The City fails to pay any judgment or judgments aggregating $1,000,000 or more, excluding judgments (1) on appeal and being contested in good faith, (2) for which the City has reached an agreement with the judgment creditor as to the timing and manner of payment that does not involve the imposition of any additional ad valorem property taxes above the Property Tax Threshold and with which agreement the City is in compliance or (3) for which the City is diligently making arrangements for payment and the delay in payment will not result in the City being held in contempt of court for nonpayment or in the imposition of a lien on the City's general funds or the imposition of any additional ad valorem property taxes in excess of the Property Tax Threshold; or

(11) The City commences a case or files a petition seeking relief under the Bankruptcy Code or any other insolvency law or procedure, consents to an order of relief in any such proceeding or to the filing of any such petition, seeks or is subject to the appointment of a receiver or an emergency financial manager for all or any substantial part of its assets or makes an assignment for the benefit of its creditors, or if the Governor of the State of Michigan determines that a financial emergency exists in the City.

For purposes of the foregoing Termination Events in this Part 1(i)(ii), the sole Affected Party shall be Party B and all Transactions shall be Affected Transactions.

(j) ***Default Rate.*** Notwithstanding anything to the contrary in the Agreement, the Default Rate applicable to any amount owed by Party B to Party A during the Term Payment Period shall be LIBOR plus 9% (the "Specified Default Rate"), where "LIBOR" is determined (i) with respect to the remainder of the first Fiscal Year following a Specified Additional Termination Event, as the arithmetic average of USD-LIBOR-BBA (as defined in the 2006 ISDA Definitions, with a Designated Maturity of three months) as of the close of business on the fifteenth (15th) day of the three calendar months immediately preceding such Specified Additional Termination Event and, (ii) with respect to each subsequent Fiscal Year, as the arithmetic average of USD-LIBOR-BBA (as defined in the 2006 ISDA Definitions, with a Designated Maturity of three months) as of the close of business on the fifteenth (15th) day of March, April and May of the immediately preceding Fiscal Year.

(k) ***Remedies.*** In addition to all other remedies available hereunder and which remain unaffected hereby, following the designation of an Early Termination Date hereunder resulting from an Event of Default or Termination Event with respect to which Party B is the Defaulting Party or sole Affected Party, as the case may be, Party A shall have the remedies available to it as a secured party to enforce the Service Corporation Pledge, the Service Corporation Security Interest and the City Pledge. Such remedies of Party A as a secured party under the Service Corporation Pledge and Service Corporation Security Interest shall include the exercise of all rights and remedies otherwise available to the Service Corporations as secured parties under the City Pledge, including the right to cause the Pledged Property to be applied to the obligations owing to Party A hereunder up to the amounts then appropriated. Furthermore, such remedies include the right to cause the Pledged Property to be applied to the obligations owing to the Swap Counterparties under the Hedges up to the amounts then appropriated and, to the extent that not all amounts for all obligations owing to the Swap Counterparties have been appropriated, the right to use judicial process to obtain appropriations and to exercise any other equitable remedies available to the Swap Counterparties against the Service Corporations and the City, as a Michigan home rule city, in respect of such unappropriated amounts; provided, however, that if an Early Termination Date is designated by Party A hereunder as a result of a Specified Additional Termination Event, Party A shall forbear from exercising any remedies as a secured party against the Pledged Property during the Term Payment Period.

(l) ***Waiver and Rescission.*** As of the Amendment Effective Date, Party A waives its right to declare an Early Termination Date, and hereby rescinds any previously delivered notice of Termination Event and/or designation of an Early Termination Date, in connection with the Additional Termination Event set forth, prior to the Amendment Effective Date, in Part 5(b)(ii)(3) of the Schedule to this Agreement.

(m) ***Amendment Effective Date Representations of Party B.*** Party B hereby further represents that, as of the Amendment Effective Date:

(i) The City has given an Irrevocable Instruction to each Casino Licensee and Developer.

(ii) No action, proceeding or investigation has been instituted, nor has any order, judgment or decree been issued or proposed to be issued by any court, agency or authority to set aside, restrain, enjoin or prevent the consummation of any transaction contemplated hereby or seeking material damages against the City, a Service Corporation or either Swap Counterparty in connection with the amendment and restatement of the Schedule to this Agreement or the Settlement Transaction.

(n) ***Indemnification.***

(i) To the extent permitted by law, Party B shall defend and hold harmless Party A from and against any and all losses, damages, liabilities, and expenses incurred and paid (each, a "liability") by Party A arising out of or resulting from the commencement or continuation of any litigation, judicial action, or legislative action of the kind described in Part 1(i)(ii)(6) hereof.

(ii) If, for so long as this Agreement is in effect, Party A has actual notice or knowledge of any claim or loss for which indemnification by Party B is asserted, Party A shall give to Party B written notice within such time as is reasonable under the circumstances, describing such claim or loss in reasonable detail. However, any delay or failure of Party A to give the notice shall not affect Party B's indemnification obligations except to the extent that Party B was prejudiced by the delay or failure.

(iii) If a demand or claim for indemnification is made hereunder with respect to losses the amount or extent of which is not yet known or certain, then the notice of demand for indemnification shall so state, and, where practicable, shall include an estimate of the amount of the losses.

(iv) In the case of actual notice of indemnification hereunder involving any litigation, arbitration or legal proceeding, Party B shall have responsibility to, and shall employ counsel, and shall assume all expense with respect to, the defense or settlement of such claim.

(v) Notwithstanding Party B's assumption of the defense, Party A shall have the right to employ separate counsel and to participate in the defense of such action, and Party B shall bear the reasonable out of pocket fees, costs and expenses of such separate counsel if:

(1) other than under Part 1(i)(ii)(6) hereof, a Termination Event or Event of Default has occurred hereunder, other than a Specified Additional Termination Event;

(2) other than under Part 1(i)(ii)(6) hereof, the Term Period End Date has occurred;

(3) the result of the use of counsel chosen by Party B to represent Party A would present such counsel with a conflict of interest;

(4) the actual or potential defendants in, or targets of, any such action include Party A and Party A shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to Party B;

(5) Party B shall not have employed counsel reasonably satisfactory to Party A to represent Party B within a reasonable time after notice of the institution of such action; or

(6) Party B, in its discretion, shall authorize Party A to employ separate counsel at Party B's expense.

Party B shall not be liable under this Agreement for any amount paid by Party A to settle any claims or actions if the settlement is entered into without Party B's consent which

may not be unreasonably withheld or delayed. Each of Party A and Party B hereby agrees and acknowledges that any amount in respect of indemnification payable by Party B to Party A in accordance with this Part 1(n) is an expense that may not be claimed and is not payable under the Swap Insurance Policy.

Part 2.

Agreement to Deliver Documents

For the purpose of Sections 3(d) and 4(a) of this Agreement, each party agrees to deliver the following documents:

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Party A and Party B	Evidence of the authority and true signatures of each official or representative signing this Agreement or, as the case may be, a Confirmation, on its behalf.	On or before execution of this Agreement and each Confirmation forming a part of this Agreement.	Yes
Party A	Opinion of Counsel to Party A in a form reasonably satisfactory to Party B.	On or before execution of this Agreement.	No
Party B	Covered Indenture as hereinafter defined.	On or before execution of this Agreement.	Yes
Party B	Certified copy of the resolution of Party B's Board of Directors (or equivalent authorizing documentation) authorizing the execution and delivery of this Agreement and each Confirmation and performance of its obligation hereunder.	On or before execution of this Agreement.	Yes
Party B	A copy of Party B's audited annual financial statements prepared in accordance with generally accepted accounting principles within the United	On or before the 365th day after the end of Party B's fiscal year.	Yes

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
	States.		
Party B	A copy of the City's audited annual financial statements prepared in accordance with generally accepted accounting principles within the United States.	Within 15 days of public availability, but in any case no later than 365 days after the end of the City's fiscal year.	Yes
Party B	A copy of the City's quarterly financial statements.	If and when the City prepares such quarterly reports, when such quarterly reports become publicly available.	Yes
Party B	Opinion of legal counsel to Party B in form and substance satisfactory to Party A.	On or before execution of this Agreement.	No
Party B	Commitment to issue each Swap Insurance Policy (as such term is defined in Part 4 hereof).	On or before the execution of this Agreement with respect to the initial Insured Rate Swap Transaction hereunder, and thereafter on or before the Trade Date of each subsequent Insured Rate Swap Transaction.	No
Party B	Swap Insurance Policy and the Opinion of counsel to the Swap Insurer with respect to such Swap Insurance Policy in form and substance satisfactory to Party A.	On or before the delivery of the related 2006 Pension Funding Securities to the underwriters with respect to the initial Insured Rate Swap Transaction hereunder, and	No

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
		thereafter on or before execution of the Confirmation evidencing each subsequent Insured Rate Swap Transaction.	
Party B	Confirmations, updates and additional documentation concerning the opinion of counsel, board resolutions and certificates delivered pursuant to each of the foregoing documents to be delivered as Party A may reasonably request.	Prior to the Effective Date of each Transaction after the initial Transaction hereunder.	Yes
Party B	Certified copy of the Service Contract together with an opinion of Certificate Counsel in form and substance satisfactory to Party A which addresses each of the Sources of Payment set forth in Section 3(g) of this Agreement.	On or before execution of the Service Contract.	No
Party B	Authorizing Ordinance	On or prior to the Amendment Effective Date	No
Party B	An opinion of Lewis & Munday, a Professional Corporation, special counsel to the City and Party B, in form and substance satisfactory to Party A, including customary opinions given in connection with municipal financing transactions and addressing the items identified on Exhibit	On or prior to the Amendment Effective Date	No

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
	A hereto next to such counsel's name		
Party B	An opinion of the City Corporation Counsel, in form and substance satisfactory to Party A, addressing the items identified on Exhibit A hereto next to such counsel's name.	On or prior to the Amendment Effective Date	No
Party B	An opinion of Orrick, Herrington & Sutcliffe LLP, special counsel to the City, in form and substance satisfactory to Party A, addressing the items identified on Exhibit A hereto next to such counsel's name.	On or prior to the Amendment Effective Date	No
Party B	An opinion of special tax counsel to the City, in form and substance satisfactory to Party A, addressing the items identified on Exhibit A hereto next to such counsel's name.	On or prior to the Amendment Effective Date	No
Party B	To the extent not duplicative with any other document to be delivered in this Part 2, each document required to be delivered under Section 2.4 of the Collateral Agreement.	On or prior to the Amendment Effective Date	Yes

Part 3.

Miscellaneous

(a) ***Addresses for Notices.*** For the purposes of Section 10(a) of this Agreement:

(i) All notices or communications to Party A shall, with respect to a particular Transaction, be sent to the address, telex number, or facsimile number reflected in the Confirmation of that Transaction, and any notice for purposes of Sections 5 or 6 shall be sent to:

SBS Financial Products Company, LLC
Wall Street, 22nd Floor
New York, NY 10005
Attention: John Carter
Telephone: (646) 775-4880
Facsimile: (646) 576 - 9684

(ii) All notices or communications to Party B shall be sent in care of the Contract Administrator to the address as set forth in Section 10.1 of the Contract Administration Agreement.

(iii) A copy of all notices or communications to either Party A or Party B shall be sent to the address, or facsimile number reflected below:

Syncora Guarantee Inc.
(formerly known as XL Capital Assurance Inc.)
1221 Avenue of the Americas
New York, New York 10020
Attention: Surveillance
Telephone: (212) 478-3400
Facsimile: (212) 478-3597

(b) ***Offices***. Party A, if it enters into a Transaction through an Office other than its head or home office represents to Party B that, notwithstanding the place of booking office or jurisdiction of incorporation or organization, the obligations of Party A are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by Party A on each date on which a Transaction is entered into.

(c) ***Calculation Agent.*** The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to the relevant Transaction.

(d) ***Credit Support Document.*** With respect to Party A: (i) the Credit Support Annex dated the date hereof between Party B and Merrill Lynch Capital Services, Inc. ("MLCS"); (ii) the Transaction Transfer Agreement (the "Transfer Agreement") dated the date hereof between Party A, Party B and MLCS; and (iii) the Guarantee of Merrill Lynch & Co., Inc. ("ML&Co.") with respect to the Transfer Agreement. With respect to Party B: (i) the Service Contracts and the Contract Administration Agreement (collectively, the "Covered Indenture") and (ii) the Collateral Agreement.

(e) ***Credit Support Provider.*** Credit Support Provider means: With respect to Party A, MLCS and ML&Co. and with respect to Party B, none.

(f) ***Governing Law.*** This Agreement will be governed by and construed in accordance with the laws of the State of New York; *provided*, *however*, that the corporate powers and legal capacity of Party B shall be governed by and construed in accordance with the laws of the State of Michigan.

(g) ***Jurisdiction.*** Section 11(b)(i) of this Agreement is deleted in its entirety and replaced by the following:

> (i) submits to the extent permitted by law to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in Borough of Manhattan in New York City and of the courts of the State of Michigan and the United States District Court for the Eastern District of Michigan.

(h) ***Waiver of Immunities.*** Section 11(c) of this Agreement is deleted in its entirety and replaced by the following:

> "***Waiver of Immunities.*** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues, all immunity on the grounds of sovereignty or other similar grounds from (i) suit in a breach of contract action, (ii) relief by way of injunction, order for specific performance or for recovery of property and (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any Proceedings, and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any such Proceedings."

(i) ***Netting of Payments.*** Subparagraph (ii) of Section 2(c) of this Agreement will apply.

(j) ***"Affiliate"*** will have the meaning specified in Section 12 of this Agreement.

Part 4.

Other Provisions

(a) ***Intentionally Omitted.***

(b) ***Additional Representations.***

(i) The first sentence of Section 3 is amended to read in its entirety as follows:

> "Each party represents to each other party (which representations will be deemed to be repeated on each date on which a Transaction is entered into and, in the case of the representations in Section 3(a), (e) and (f) of this Agreement, at all times until the termination of this Agreement) the following:"

(ii) Section 3 is amended by adding the following subsections (e), (f) and (g) thereto:

> (e) Non-Speculation. Party B represents and warrants to Party A that this Agreement has been, and each Transaction hereunder will be, entered into for purposes of managing of its borrowings or investments or in connection with a line of

business and not for the purpose of speculation;

(f) Eligible Contract Participant. Each party is an "eligible contract participant" under, and as defined in, Section 1a(12) of the Commodity Exchange Act, as amended (7 U.S.C. § 1a(12)); and

(g) Sources of Payment. As provided in the Contract Administration Agreement, all payments due under this Agreement from Party B to Party A are payable from and secured by amounts owing by the City to Party B pursuant to the Service Contract in respect of Hedge Payables. Such amounts are payable by the City from all available revenues of the City's General Fund (as delineated in the City's audited financial statements). If the City were to fail to pay any amount owing in respect of a Hedge Payable when due, Party A (or the Contract Administrator, if authorized by Party A to so act on Party A's behalf) could pursue remedies against the City to enforce that contractual obligation and the City would be required to pay any resulting judgment against it. If the City were to fail to provide for payment of any such judgment, a court can compel the City to raise the payment through the levy of taxes, as provided in the Revised Judicature Act of 1961, Act No. 236 of the Michigan Public Acts of 1961, as amended (Michigan Compiled Laws Section 600.6093), without limit as to rate or amount. In addition, all amounts due from Party B hereunder are secured by and payable from the Pledged Property (including, but not limited to, amounts held in the Holdback Account) in accordance with the terms of the Collateral Agreement.

(c) ***Additional Agreements.***

Compliance with Covered Indenture. Party B will observe, perform and fulfill each provision in the Covered Indenture applicable to Party B. Party B hereby agrees not to amend, supplement, modify or waive any provision of the Covered Indenture without the consent of Party A if such amendment, supplement, modification or waiver would: (i) change any of the payment times, amounts, obligations, terms or any other payment-related provision in any Service Contract applicable to the City; (ii) impair any right Party B may have under the Service Contract to enforce payments from the City, or impair any right Party A may have under the Covered Indenture to enforce its security interest granted therein or any other right thereunder; or (iii) permit the creation of any new lien ranking prior to or on a parity with, or terminate, or deprive Party A of the security afforded to it by Sections 8.02 and 8.03 of the Service Contracts or Section

2.4 of the Contract Administration Agreement (collectively, the "Incorporated Provisions"). The Incorporated Provisions are hereby incorporated by reference and made a part of this Agreement to the same extent as if such provisions were set forth herein. Any amendment, supplement, modification or waiver of any of the Incorporated Provisions without the prior written consent of the other party hereto shall have no force and effect with respect to this Agreement. Any amendment supplement or modification for which such consent is obtained shall be part of the Incorporated Provisions for purposes of this Agreement. Party B shall not assign or transfer its right or obligations under the Covered Indenture without the prior written consent of the other party hereto and the Swap Insurer.

(d) ***Relationship Between Parties.*** Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

(i) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(ii) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

(iii) Status of Parties. The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.

(e) ***Waiver of Jury Trial.*** **EACH PARTY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDINGS RELATING TO THIS AGREEMENT OR ANY CREDIT SUPPORT DOCUMENT.**

(f) ***Consent to Recording.*** Each party (i) consents to the recording of all telephone conversations between trading, operations and marketing personnel of the parties and their Affiliates in connection with this Agreement or any potential Transaction; (ii) agrees to give notice to such personnel of it and its Affiliates that their calls will be recorded; and (iii) agrees that in any Proceedings, it will not object to the introduction of such recordings in evidence on grounds that consent was not properly given.

(g) ***Scope of Agreement.*** The Transactions entered into between the parties June 6, 2006 and June 2, 2005 and any other specific Specified Transactions designated in writing by the parties hereto after the date hereof, shall be subject to the terms hereof.

(h) ***Indemnification Limited to Extent of Applicable Law.*** The parties acknowledge that Party B's authority to indemnify Party A, as required by Section 9 of the Agreement, for expenses, fees and taxes may be limited by Michigan law and Party B's obligation to indemnify Party A could be limited to the extent of applicable law.

(i) ***Additional Definitions.*** Section 12 is hereby amended by adding the following definitions:

"2006 Funding Trust" shall have the meaning specified in the Collateral Agreement.

"2006 Pension Funding Securities" shall have the meaning specified in the Collateral Agreement.

"2006 Transactions" shall have the meaning specified in the Collateral Agreement.

"Accounts" shall have the meaning specified in the Collateral Agreement.

"Accrued Service Charges" shall have the meaning specified in the Service Contracts.

"Amendment Effective Date" means June 26, 2009.

"Authorizing Ordinance" shall have the meaning specified in the Collateral Agreement.

"Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq.

"Casino Licensee" shall have the meaning specified in the Collateral Agreement.

"City" means the City of Detroit, Michigan.

"City Charter" means the Charter of the City of Detroit, Michigan.

"City Clerk" means the Clerk of the City of Detroit, Michigan.

"City Council" means the Council of the City of Detroit, Michigan.

"City Payment" shall have the meaning specified in the Collateral Agreement.

"City Pledge" shall have the meaning specified in the Collateral Agreement.

"Closing Date" shall have the meaning specified in the Collateral Agreement.

"Collateral Agreement" means that certain Collateral Agreement dated as of June 15, 2009, among Party A, Party B, PFRS, UBS, the City, U.S. Bank National Association and Merrill Lynch Capital Services, Inc.

"Collateral Agreement Custodian" means the person identified as the "custodian" under the Collateral Agreement and any successor thereto.

"Contract Administration Agreement" means the Contract Administration Agreement 2006 dated June 12, 2006 among Detroit Retirement Systems Funding Trust 2006, Detroit General Retirement System Service Corporation and Detroit Police and Fire Retirement System Service Corporation, severally and not jointly, U.S. Bank National Association, separately and not as Trustee of the Detroit Retirement Systems Funding Trust 2006 and the Hedge Counterparties Named Therein.

"Counterparty(ies)" shall have the meaning specified in the Collateral Agreement.

"Covered Indenture" means the Service Contracts together with the Contract Administration Agreement.

"Definitive Documents" shall have the meaning specified in the Collateral Agreement.

"Detroit General Retirement System Service Contract" means the Detroit General Retirement System Service Contract dated June 7, 2006 between Party B and the City.

"Detroit Police and Fire Retirement System Service Contract" means the PFRS Service Contract dated June 7, 2006 between the Detroit Police and Fire Retirement System Service Corporation and the City.

"Developer" shall have the meaning specified in the Collateral Agreement.

"Developer Agreement" shall have the meaning specified in the Collateral Agreement.

"Excluded Indebtedness" shall have the meaning specified in the Collateral Agreement.

"Finance Director" shall have the meaning specified in the Collateral Agreement.

"Fiscal Year" shall have the meaning specified in the Collateral Agreement.

"General Receipts Subaccount" shall have the meaning specified in the Collateral Agreement.

"Hedge" shall have the meaning specified in the Collateral Agreement.

"Hedge Payable" shall have the meaning specified in the Service Contracts.

"Hedge Periodic Payables" shall have the meaning specified in the Service Contracts.

"Holdback Account" shall have the meaning specified in the Collateral Agreement.

"Holdback Requirement" shall have the meaning specified in the Collateral Agreement.

"Irrevocable Instructions" shall have the meaning specified in the Collateral Agreement.

"MCL" means the Michigan Compiled Laws.

"Month" shall have the meaning specified in the Collateral Agreement.

"Moody's" means Moody's Investors Service, Inc.

"Office" means a branch or office of a party, which may be such party's head or home office.

"PFRS" means the Detroit Police and Fire Retirement System Service Corporation.

"Pledged Property" shall have the meaning specified in the Collateral Agreement.

"Property Tax Threshold" shall have the meaning specified for the "Threshold" in the Collateral Agreement.

"Quarterly Coverage" shall have the meaning specified in the Collateral Agreement.

"Ratings Upgrade" shall have the meaning specified in the Collateral Agreement.

"Regular Custodian Payment" shall have the meaning specified in the Collateral Agreement.

"Regular Scheduled Payments" shall have the meaning specified in the Service Contracts.

"Revenues" shall have the meaning specified in the Collateral Agreement.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Service Charges" shall have the meaning specified in the Service Contracts.

"Service Contracts" means the Detroit General Retirement System Service Contract and the Detroit Police and Fire Retirement System Service Contract.

"Service Corporations" means Party B and PFRS.

"Service Corporation Pledge" shall have the meaning specified in the Collateral Agreement.

"Service Corporation Security Interest" shall have the meaning specified in the Collateral Agreement.

"Settlement Transaction" shall have the meaning specified in the Collateral Agreement.

"Sinking Fund Installments" shall have the meaning specified in the Service Contracts.

"Specified Additional Termination Event" means each of the Additional Termination Events specified in Parts 1(i)(ii)(3), 1(i)(ii)(4), 1(i)(ii)(5), 1(i)(ii)(9) and 1(i)(ii)(10) of this Amended and Restated Schedule.

"Specified Event" shall have the meaning specified in the Collateral Agreement.

"Swap Counterparties" means, collectively, Party A and UBS and their respective successors and assigns.

"Swap Insurance Policy" means the Syncora Guarantee Inc. Insurance Policy issued by the Swap Insurer with respect to the Transaction(s) between Party A and Party B entered into pursuant to this Agreement.

"Swap Insurer" means Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc).

"Term Payment Period" shall have the meaning specified in the Collateral Agreement.

"Term Period End Date" shall have the meaning specified in the Collateral Agreement.

"UBS" means UBS AG.

"Wagering Taxes" shall have the meaning specified in the Collateral Agreement.

"Wagering Tax Property" shall have the meaning specified in the Collateral Agreement.

"Wagering Tax Revenue Statute" means the Michigan Gaming Control and Revenue Act, being MCL 432.201 et seq., MSA 18.969(201), et seq., as amended.

Part 5.

Insurer Provisions

The following provisions shall apply to any Transactions for which the Swap Insurance Policy has been issued by the Swap Insurer, for the account of Party B, as principal, and Party A, as beneficiary (the "Insured Rate Swap Transactions"):

(a) ***Designation of Early Termination Date.*** Notwithstanding anything to the contrary in Section 6 of this Agreement, if any:

(i) Event of Default in respect of any Insured Rate Swap Transaction under this Agreement occurs; or

(ii) Termination Event (other than the Additional Termination Events set forth in Part 5(b) below) in respect of any Insured Rate Swap Transaction under this Agreement occurs;

then, in either such case, neither Party A nor Party B shall designate an Early Termination Date pursuant to Section 6 of this Agreement in respect of any such Insured Rate Swap Transaction without the prior written consent of the Swap Insurer.

(b) ***Party B Additional Termination Events.*** The following shall each constitute an Additional Termination Event:

(i) the Swap Insurer fails to meet its payment obligations under the Swap Insurance Policy and such failure is continuing with respect to the Swap Insurer under the Swap Insurance Policy; or

(ii) the Swap Insurer fails to have a claims-paying ability rating of at least "A-" from S&P or a financial strength rating of at least "A3" from Moody's; *provided*, *however*, that additionally:

(1) an Event of Default has occurred or is continuing with respect to Party B as the Defaulting Party; or

(2) a Termination Event has occurred or is continuing with respect to Party B as the Affected Party; or

(iii) An Insurer Event has occurred and is continuing; *provided*, *however*, that additionally:

(1) an Event of Default has occurred or is continuing with respect to Party B as the Defaulting Party; or

(2) a Termination Event has occurred or is continuing with respect to Party B as the Affected Party.

Any of the following shall be considered an "Insurer Event":

(1) the Swap Insurer is in conservation, liquidation or receivership under the New York Insurance Laws; or

(2) the Swap Insurer (a) fails to have (1) a claims-paying ability rating of at least "AAA" from S&P, or (2) a financial strength rating of at least "Aaa" from Moody's; and (b) fails to pay obligations for indebtedness for money borrowed or to meet then-current policy obligations for which claims have been properly presented in a aggregate amount in excess of $100,000,000, which failure to make payment (in whole or in part) is not due to: (u) administrative error; (v) Swap Insurer action to contest a claim; (w) an order from, or action by, a regulator of the Swap Insurer which forbids, delays or impedes such payment, except in connection with a Swap Insurer insolvency, conservation or receivership; (x) the occurrence of an act of God which prevents such payment; (y) the usual mechanisms or channels employed to make such payment being unavailable to the Swap Insurer through no fault of the Swap Insurer; (z) a statute, rule or order (including, but not limited to exchange controls) which forbids, delays or impedes either (i) such payment, other than in connection with a Swap Insurer insolvency, conservation or receivership, or (ii) the acquisition of, or payment in, a currency required in order to make such payment.

For purposes of any Additional Termination Event described under this Part 5(b), the sole "Affected Party" shall be Party B.

(c) ***Insurer Directed Termination.*** Notwithstanding anything in this Agreement, if an Event of Default under this Agreement occurs with respect to Party B as the Defaulting Party or any Termination Event under this Agreement occurs with respect to Party B as the Affected Party, then the Swap Insurer (so long as it has not failed to make any payment under the terms and conditions of the Swap Insurance Policy) shall have the right (but not the obligation) upon notice to Party A to designate an Early Termination Date with respect to Party B with the same effect as if such designation were made by Party A. For purposes of the foregoing sentence, an Event of Default with respect to Party B shall be considered to be continuing, notwithstanding any payment by the Swap Insurer under the Swap Insurance Policy. Party A and Party B acknowledge that, except as the Swap Insurance Policy may be otherwise endorsed, unless (x) the Swap Insurer designates an Early Termination Date (as opposed to merely consenting to such designation by one of the parties) or (y) an Additional Termination Event specified in Part 5(b)(i) or (ii) has occurred, payments due from Party B because an Early Termination Date has been designated will not be insured. In any event, the parties acknowledge that pursuant to the Swap Insurance Policy that (i) the amount payable by the Swap Insurer in respect of payments due from Party B because an Early Termination Date has been designated by the Swap Insurer shall not be limited in amount, and (ii) the amount payable by the Swap Insurer in respect of payments due from Party B because an Early Termination Date has been designated by Party A shall not exceed the amount specified in the Swap Insurance Policy.

(d) ***Amendments.*** Section 8(b) of the Agreement is hereby amended by (A) adding the words "or any Credit Support Document" after the word "Agreement" in the first line thereof and (B) adding the phrase "and the Swap Insurer" following the words "parties" in the third line thereof.

(e) ***Transfers/Assignments.*** Notwithstanding Section 7 of the Agreement, except as provided in Part 6(c) hereof, neither party may transfer, assign or delegate its rights or duties with respect to an Insured Rate Swap Transaction under the Agreement, unless it receives the prior written consent of the Swap Insurer; *provided, however*, that Party A may assign or delegates its rights and duties without the Swap Insurer's prior written consent to a party (a) that meets the definition of "Reference Market Maker" (other than the ratings requirement set forth therein) and that has long-term senior unsecured debt ratings at least in the single –A category from Moody's and S&P or the Credit Support Provider of such party has claims paying ability ratings or financial strength ratings at least in the single –A category from Moody's and S&P and (b) that assumes the rights and duties of Party A pursuant to a master agreement that is substantially similar to this Agreement and in form and substance satisfactory to the Swap Insurer; and *provided, further*, that Party A may make such an assignment or delegation to an affiliate of Party A if Party A or its Credit Support Provider, provides a guarantee of the Insured Rate Swap Transaction that is reasonably acceptable in form and substance to the Swap Insurer.

(f) ***No Suspension of Payments.*** Notwithstanding Section 2(a)(iii) of this Agreement, Party A shall not suspend any payments due under an Insured Rate Swap Transaction under Section 2(a)(iii) of the Agreement unless Party A has designated an Early Termination Date pursuant to the terms hereof.

(g) ***No Netting.*** Notwithstanding Section 2(c) of this Agreement, in no event shall either Party A or Party B be entitled to net its payment obligations in respect of the Insured Rate Swap Transactions against the payment obligations of the other party in respect of other Transactions under this Agreement if such Transactions are not Insured Rate Swap Transactions, nor may either Party A or Party B net the payment obligations of the other party under Transactions that are not Insured Rate Swap Transactions against the payment obligations of such party under Insured Rate Swap Transactions, it being the intention of the parties that their payment obligations under Insured Rate Swap Transactions be treated separate and apart from all other Transactions. Section 6(e) of this Agreement shall apply to all Insured Rate Swap Transactions with the same effect as if the Insured Rate Swap Transactions constituted a single master agreement. Notwithstanding Section 6(e) of this Agreement, the amount payable under Section 6(e) of this Agreement upon the termination of any Insured Rate Swap Transactions shall be determined without regard to any Transactions other than the Insured Rate Swap Transactions, it being the intention of the parties that their payment obligations under the Insured Rate Swap Transactions be treated separate and apart from all other Transactions unless otherwise agreed to in writing by the Swap Insurer.

(h) ***No Set-off for Counterclaim.*** In no event shall either Party A or Party B be entitled to set-off its payment obligations in respect of an Insured Rate Swap Transaction against the payment obligations of the other party (whether by counterclaim or otherwise) under any other agreement(s) between Party A and Party B or instrument(s) or undertaking(s) issued or executed by one party to, or in favor of, the other party, if such obligations are not Insured Rate Swap Transactions, or net the payment obligations of the other party that are not with respect to Insured Rate Swap Transactions against the payment obligations of such party under Insured Rate Swap Transactions, it being the intention of the parties that their payment obligations under Insured Rate Swap Transactions be treated separate and apart from all other obligations. Notwithstanding Section 6(e) of this Agreement, the amount payable under Section 6(e) of this Agreement upon the termination of any Insured Rate Swap Transaction shall be determined without regard to any obligation other than those under the Insured Rate Swap Transactions, it being the intention of the parties that their payment obligations under the Insured Rate Swap Transactions be treated separate and apart from all other obligations unless otherwise specified in such other obligation and agreed to in writing by the Swap Insurer.

(i) ***Party A – Notice of Rating Downgrade, Suspension or Withdrawal.*** Party A shall provide written notice to Party B and to the Swap Insurer of any downgrade, withdrawal or suspension of Party A's Credit Support Provider's long-term senior unsecured debt rating, within 15 Business Days of the occurrence of such event. Failure of Party A to provide such notice shall not constitute an Event of Default under this Agreement.

(j) ***Representations and Agreements.*** Each party agrees that each of its representations and agreements in this Agreement is expressly made to and for the benefit of the Swap Insurer.

(k) ***Third-party Beneficiary.*** Party A and Party B hereby each acknowledge and agree that the Swap Insurer shall be an express third-party beneficiary (and not merely an incidental third-party beneficiary) of this Agreement and of the obligations of each such party under any Insured Rate Swap Transaction, and as such, entitled to enforce the Agreement and the terms of any such

Insured Rate Swap Transaction against such party on its own behalf and otherwise shall be afforded all remedies available hereunder or otherwise afforded by law against the parties hereto to redress any damage or loss incurred by the Swap Insurer including, but not limited to, fees (including professional fees), costs and expenses incurred by the Swap Insurer which are related to, or resulting from any breach by such party of its obligations hereunder.

(l) ***Policy Coverage.*** Party A and Party B hereby acknowledge and agree that the Swap Insurer's obligation with respect to Insured Rate Swap Transactions shall be limited to the terms of the Swap Insurance Policy. Notwithstanding Section 2(d) or any other provision of this Agreement, the Swap Insurer shall not have any obligation to pay interest on any amount payable by Party B under this Agreement.

(m) ***Subrogation.*** Party A and Party B hereby acknowledge that to the extent of payments made by the Swap Insurer to Party A under the Swap Insurance Policy, the Swap Insurer shall be fully subrogated to the rights of Party A against Party B under the Insured Rate Swap Transaction to which such payments relate, including, but not limited to, the right to receive payment from Party B and the enforcement of any remedies. Party A hereby agrees to assign to the Swap Insurer its right to receive payment from Party B under any Insured Rate Swap Transaction to the extent of any payment thereunder by the Swap Insurer to Party A. Party B hereby acknowledges and consents to the assignment by Party A to the Swap Insurer of any rights and remedies that Party A has under any Insured Rate Swap Transaction or any other document executed in connection herewith.

(n) ***Isolation of Insured Rate Swap Transactions in Designating an Early Termination Date.***

(i) Notwithstanding Section 6 of this Agreement, any designation of an Early Termination Date in respect of non-Swap Insurer Insured Rate Swap Transactions by Party A or Party B shall not apply to any Insured Rate Swap Transactions under this Agreement, unless expressly provided in such designation and agreed to in writing by the Swap Insurer.

(ii) Notwithstanding Section 6 of this Agreement, any designation of an Early Termination Date in respect of the Insured Rate Swap Transactions by the Swap Insurer or by Party A or Party B shall apply only to the Insured Rate Swap Transactions and not to any other Transaction under this Agreement, unless expressly provided in such designation and agreed to in writing by the Swap Insurer. Nothing contained in this Part 5(n) shall affect the rights of Party A under this Agreement to designate an Early Termination Date in respect of any Transaction that is not an Insured Rate Swap Transaction, which designation shall not apply to the Insured Rate Swap Transactions.

(o) ***Expenses***. Party B agrees to reimburse the Swap Insurer immediately and unconditionally upon demand for all reasonable expenses incurred by the Swap Insurer in connection with the issuance of the Swap Insurance Policy and the enforcement by the Swap Insurer of Party B's obligations under this Agreement and any other documents executed in connection with the execution and delivery of this Agreement, including, but not limited to, fees (including

professional fees), costs and expenses incurred by the Swap Insurer which are related to, or resulting from, any breach by Party B of its obligations hereunder.

(p) ***Notices.*** A copy of each notice or other communication between the parties with respect to this Agreement must be forwarded to the Swap Insurer by the party distributing such notice or other communication and any such notice or other communication shall not be effective as to the parties hereto until it has been received by the Swap Insurer.

(q) ***Reference Market-makers.*** The definition of "Reference Market-makers" set forth in Section 12 of the Agreement shall be amended in its entirety to read as follows:

> "Reference Market-makers" means four (4) leading dealers in the relevant swap market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time of deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among dealers having an office in the same metropolitan area. The rating classification assigned to any outstanding long-term senior debt securities of such dealers shall be at least (1) "A1" or higher as determined by Moody's, (2) "A+" or higher as determined by S&P or if not rated by one of S&P or Moody's, (3) an equivalent investment grade rating determined by a nationally-recognized rating service acceptable to both parties; *provided, however*, that in any case, if Market Quotations cannot be determined by four (4) such dealers, the party making the determination of the Market Quotation may designate, with the consent of the other party and the Swap Insurer, one (1) or more leading dealers whose long-term senior debt bears a lower investment grade rating or the parties may agree, with the consent of the Swap Insurer, to use fewer than four (4) leading dealers.

(r) ***Party A Delivery of Legal Opinion.*** Party A will be required to deliver a legal opinion with respect to its power and authority to enter into the Agreement and to the enforceability of the Agreement, satisfactory in form and substance to the Swap Insurer, with the Swap Insurer as an addressee.

(s) ***Additional Representations of Party B.*** Party B hereby further represents to Party A (which representations will be deemed to be repeated by Party B at all times until the termination of this Agreement) that:

> (i) This Agreement has been, and each Transaction hereunder will be (and, if applicable, has been), entered into for the purposes of managing its borrowings and not for purposes of speculation.
>
> (ii) Party B has taken all steps necessary or advisable to create the security and source of payment for Party B's obligations hereunder described in Section 4(f) of the Agreement.
>
> (iii) Any Transaction entered into pursuant to this Agreement together with any transactions that Party B has or may enter into with Party A and/or with any or all other parties does not and will not violate or exceed any limits or restrictions contained in any

authorizations, approvals or resolutions of the board of directors, shareholders or other authorized body of Party B.

(iv) The execution and delivery by Party B of this Agreement, each Confirmation and any other documentation relating hereto, and the performance of Party B of its obligations hereunder and thereunder, are in furtherance, and not in violation, of the municipal purposes for which Party B is organized pursuant to the laws of the State of Michigan.

(v) This Agreement and each Transaction hereunder do not constitute any kind of investment by Party B that is proscribed by any constitution, charter, law, rule, regulation, government code, constituent or governing instrument, resolution, guideline, ordinance, order, writ, judgment, decree, charge, or ruling to which Party B (or any of its officials in their respective capacities as such) or its property is subject.

(t) ***Optional Early Termination.*** Party A shall have the right to terminate one or more Transactions hereunder, either in whole or in part, on any Business Day; *provided* that no Event of Default or Termination Event is then occurring with respect to which Party A is the Defaulting Party or sole Affected Party, by providing at least five (5) Business Days' prior written notice to Party B of its election to terminate and its designation of the effective date of termination (the "Party A Optional Early Termination Date"). On the Party A Optional Early Termination Date, Party A shall determine the amount payable in connection with such termination as the greater of (i) zero and (ii) the amount calculated in accordance with Section 6(e) of the Agreement, as if (A) the Party A Optional Early Termination Date were the Early Termination Date with respect to the terminated Transaction(s) or portion thereof, (B) the terminated Transaction(s) were the sole Affected Transaction(s), (C) Party B were the sole Affected Party and (D) Second Method and Loss applied. For the avoidance of doubt, in no event will Party B owe any amount to Party A in connection with an election by Party A to exercise its option under this Part 5(t), other than any Unpaid Amounts.

Part 6.

Transaction Transfer Provisions.

(a) ***Bankruptcy Code.*** It is the express intention of Party A, Party B and each Credit Support Provider of any party that (i) this Agreement and all Transactions hereunder, the Transaction Transfer Agreement (including, without limitation, the option granted therein), and any Credit Support Annex that may be entered into between Party B and the Credit Support Provider shall collectively constitute a single agreement; (ii) the foregoing, together with the Transfer Swap Agreement and Transfer Transactions thereunder (as such terms are defined in the Transaction Transfer Agreement) shall each constitute a "swap agreement" as defined in section 101(53B) of Title 11 of the United States Code, Sections 101-1330 (the "Bankruptcy Code"); and (iii) each of the parties constitutes a "swap participant" under section 101(53C) of the Bankruptcy Code, in each case subject to and entitled to the exemptions and protections afforded by, among other things, sections 362(b)(17), 546(g), 548(d) and 560 of the Bankruptcy Code.

(b) ***Transaction Transfer Agreement.*** Notwithstanding anything contained herein to the contrary, neither Credit Support Provider shall have any obligations under this Agreement (other

than as a result of the operation of Part 6(c) below, if applicable) and shall only have such obligations as are expressly provided for in the Transaction Transfer Agreement. The parties hereto agree that the Credit Support Providers shall be express third party beneficiaries of this Agreement, including but not limited to all of the representations, covenants, agreements and other obligations of the parties to this Agreement. Additionally, notwithstanding anything contained herein to the contrary, the parties hereby agree that in the event Credit Support Providers are replaced as the "Credit Support Provider" by a Substitute Credit Support Provider (as defined in the Transaction Transfer Agreement) under the Transaction Transfer Agreement in accordance with the terms thereof, then the Substitute Credit Support Provider shall be deemed to be the Credit Support Provider hereunder and all references herein to either Credit Support Provider or both shall be deemed to be references to such Substitute Credit Support Provider.

(c) ***Assignment.***

(i) Notwithstanding Part 5 of this Agreement, Party B, Party A and the Swap Insurer (by its delivery of the Swap Insurance Policy is deemed to have agreed) each hereby acknowledges and agrees that (A) provided that Party A is not a Defaulting Party or the sole Affected Party, Party A shall have at any time, other than following the occurrence of an Event of Default under this Agreement where Party B is the Defaulting Party or a Termination Event under this Agreement where Party B is the Affected Party or any event which with the giving of notice and/or the passage of time would constitute an Event of Default under this Agreement where Party B is the Defaulting Party or a Termination Event under this Agreement where Party B is the Affected Party, the right to transfer and assign all of Party A's rights, interests and obligations in, to and under this Agreement and all Transactions hereunder to MLCS by written notice to Party B and the Credit Support Providers specifying the effective date (such effective date, the "Assignment Date") of such transfer and assignment (and such transfer and assignment shall automatically occur as of the Assignment Date without the need for further action by any party), and (B) MLCS shall have the right, at any time and for any reason in its sole discretion, to request that Party A transfer and assign all of Party A's rights, interests and obligations in, to and under this Agreement and all Transactions hereunder to MLCS by written notice to Party B and Party A specifying the Assignment Date of such transfer and assignment (and such transfer and assignment shall automatically occur as of the Assignment Date without the need for further action by any party).

(ii) Upon the Assignment Date of any transfer and assignment specified in accordance with Part 6(c)(i) above, (A) the Provider shall be deemed to have transferred and assigned all of its rights, interests and obligations in, to and under this Agreement and all Transactions hereunder to MLCS, (B) MLCS shall have all the rights that the Provider would have under this Agreement and all Transactions hereunder, (C) MLCS shall be obligated to perform all existing and unperformed obligations of the Provider under this Agreement and all Transactions hereunder, including those obligations arising before the Assignment Date but not yet performed, (D) Party B shall remain obligated to perform all of its existing and unperformed

obligations under this Agreement and all Transactions hereunder, including those obligations arising before the Assignment Date but not yet performed, (E) the Provider and Party B shall be released and discharged from all obligations to each other with respect to this Agreement and all Transactions hereunder, and their respective rights and obligations hereunder and thereunder shall be cancelled with no payments owed by either party to the other, (F) on and after the Assignment Date, the provisions set forth in Exhibit B to the Transaction Transfer Agreement shall be applicable to this Agreement and all Transactions hereunder, (G) the Transaction Transfer Agreement shall simultaneously automatically terminate without the need for further action by any party thereto, and (H) the guarantee of ML & Co. (as set forth in the Transaction Transfer Agreement) shall apply to the Agreement as assigned (and shall no longer apply to the terminated Transaction Transfer Agreement).

(iii) Party B, Party A and Credit Support Provider shall execute such instruments of assignment, assumption and release or discharge, of a ministerial nature, as any of them may reasonably request to evidence or effectuate the provisions in this Part 6(c).

Part 7.

Credit Support Provisions.

(a) In the event that a Settlement Amount would be payable by Party A to Party B, Party B agrees that (i) the termination of this Agreement concurrently with the entry by MLCS into a Transfer Swap Agreement (as defined in Paragraph 2 of the Transaction Transfer Agreement) with Party B in accordance with Paragraph 2 of the Transaction Transfer Agreement, (ii) the agreement by Party A to pay such Settlement Amount to MLCS in consideration of MLCS entering into such Transfer Swap Agreement (and Party A hereby agrees to pay such Settlement Amount); *provided,* that the Transaction Transfer Agreement shall be effective irrespective of the nonpayment of such Settlement Amount by Party A to MLCS, and (iii) the payment by MLCS to Party B of any net Unpaid Amounts owing to Party B (which MLCS agrees to pay pursuant to the Transaction Transfer Agreement), shall constitute full satisfaction of any payment otherwise owing from Party A to Party B pursuant to Section 6(e) of this Agreement, and that Party A shall be fully discharged from any and all obligations under Section 6(e) of this Agreement. In the event that any net Unpaid Amounts would be owing by Party B to Party A (such that clause (iii) of the preceding sentence would not be applicable), Party A hereby assigns to MLCS, absolutely and not for purposes of security, all of Party A's right to receive any such net Unpaid Amounts from Party B, and Party A agrees that only MLCS shall be entitled to receive any such net Unpaid Amounts from Party B, and that Party A shall have no recourse to Party B with respect thereto.

(b) In the event that a Settlement Amount would be payable by Party B to Party A, Party A agrees that (i) the termination of this Agreement concurrently with the entry by MLCS into a Transfer Swap Agreement with Party B in accordance with Paragraph 2 of the Transaction Transfer Agreement, (ii) the agreement by MLCS to pay such Settlement Amount to Party B in

consideration of Party B entering into such Transfer Swap Agreement (which MLCS agrees to pay pursuant to the Transaction Transfer Agreement), (iii) the absolute assignment by Party B to Party A of Party B 's right to receive such Settlement Amount from Credit Support Provider, and (iv) the payment by MLCS to Party B of any net Unpaid Amounts owing to Party B (which MLCS agrees to pay pursuant to the Transaction Transfer Agreement) shall constitute full satisfaction of any payment otherwise owing from Party B to Party A pursuant to Section 6(e) of this Agreement, and that Party B shall be fully discharged from any and all obligations under Section 6(e) of this Agreement. In accordance with clause (iii) of the preceding sentence, Party B hereby assigns to Party A, absolutely and not for purposes of security, all of Party B's right to receive any such Settlement Amount from MLCS pursuant to clause (ii) of the preceding sentence, and Party A agrees that only MLCS shall be obligated to pay such Settlement Amount to Party A, and that Party A shall have no recourse to Party B with respect thereto. In the event that any net Unpaid Amounts would be owing by Party B to Party A (such that clause (iv) of the first sentence of this Part 7(b) would not be applicable), Party A hereby assigns to MLCS, absolutely and not for purposes of security, all of Party A's right to receive any such net Unpaid Amounts from Party B, and Party A agrees that only MLCS shall be entitled to receive any such net Unpaid Amounts from Party B, and that Party A shall have no recourse to Party B with respect thereto.

(c) In the event that a Settlement Amount is to be determined, the parties agree that such Settlement Amount shall be determined by MLCS on behalf of, and for the benefit of, the Non-defaulting Party or the party which is not the Affected Party (as applicable), and that such Settlement Amount shall be conclusive. For purposes of determining such Settlement Amount, MLCS shall not be obligated to obtain quotations from more than one Reference Market-maker, which Reference Market-maker may be MLCS. Notwithstanding the foregoing, if an Event of Default or Termination Event shall have occurred with respect to which Party A is the Defaulting Party or an Affected Party, and such Event of Default or Termination Event (x) is triggered by the occurrence of an event which, by definition of such Event of Default or Termination Event, occurs with respect to MLCS or the Credit Support Document, and (y) arises solely by reason of an event or condition that is directly attributable to MLCS under this Agreement or the Transaction Transfer Agreement, then Party B, and not Credit Support Provider, shall determine such Settlement Amount.

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name:
Title:

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name: John Carter
Title: President

SCHEDULE OF OPINIONS

Lewis & Munday, a Professional Corporation	• The Settlement Transaction will not cause the City to violate or exceed any applicable debt limit or constitute or create any "indebtedness" of the City within the meaning of any limitation of the Home Rule City Act (Act 279 of the Public Acts of Michigan of 1909, as amended) or any Michigan constitutional or other non-tax statutory or City Charter limitation, • the Authorizing Ordinance was duly adopted in accordance with state law and City Charter requirements, is in effect as of the Closing Date, has not been amended, and is valid, binding, and enforceable (subject, in each case, to bankruptcy and other customary exceptions), • the City Pledge, including the lien of the City Pledge established pursuant to the Authorizing Ordinance, is valid, binding and enforceable and the Service Corporation Pledge is valid, binding, enforceable and perfected (subject, in each case, to bankruptcy and other customary exceptions), • the definitive agreements entered into in connection with the Settlement Transaction are valid, binding and enforceable (subject, in each case, to bankruptcy and other customary exceptions), • the pledge and use of Pledged Property as contemplated in the Settlement Transaction will constitute authorized purposes under the Wagering Tax Revenue Statute (including, if applicable at the time, any regulation or ordinance, other than the Authorizing Ordinance, relating thereto), the Authorizing Ordinance and Section 18-14-1 et seq. of the Detroit City Code, • the pledge and use of the Pledged Property as contemplated by the Settlement Transaction does not and shall not "supplant existing...local expenditures" as prohibited by Section 12(14) of the Wagering Tax Revenue Statute, • the Settlement Transaction and any other transactions to be consummated in connection therewith are not subject to approval by vote of the electors of the City and are not subject to any right of referendum by City electors; and

	• any actions taken by the City Council, in connection with the Settlement Transaction, by resolution, in lieu of ordinance, are fully valid, binding and enforceable against the City, notwithstanding that such actions were taken by resolution instead of by ordinance (subject, in each case, to bankruptcy and other customary exceptions).
Orrick, Herrington & Sutcliffe LLP	The Wagering Tax Property constitute "special revenues" as defined in Bankruptcy Code §902(2) with respect to any case under Chapter 9 of the Bankruptcy Code in which the City or a Service Corporation is the debtor (subject to assumptions, qualifications, and limitations as are customary for bankruptcy opinions).
Special tax counsel to the City	Consummation of the Settlement Transaction (including any amendments of the Service Contracts in connection therewith) will not result in (i) the 2006 Funding Trust being treated as other than a grantor trust under Subpart E, Part I of Subchapter J of the Internal Revenue Code of 1986, as amended, (ii) the Service Charges and Regular Scheduled Payments failing to constitute payments in respect of indebtedness for U.S. federal income tax purposes, or (iii) otherwise any modifications, adverse to the City, the Service Corporations, the holders of the 2006 Pension Funding Securities or the Counterparties, to the conclusions reached in the tax opinions given in connection with the outstanding transactions.
City Corporation Counsel	Relying upon certifications of the City Clerk, the City Charter and any amendments thereto were duly approved by a majority of the City electors voting thereon and the City Charter and any such amendments have not been rescinded in whole or in part as of the Closing Date (subject to bankruptcy and other customary exceptions).

Capitalized terms used but not otherwise defined in this Exhibit A shall have the meanings ascribed to them in them in the Collateral Agreement.

EXHIBIT E

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE: CITY OF DETROIT, MICHIGAN,	.	Docket No. 13-53846
	.	Detroit, Michigan
	.	August 28, 2013
Debtor.	.	10:00 a.m.

. . . . . .

HEARING RE. OPINION RE. STAY ISSUE

STATUS HEARING RE. CORRECTED MOTION TO ASSUME LEASE OR EXECUTORY CONTRACT

MOTION FOR PROTECTIVE ORDER

ADVERSARY PROCEEDING 13-04942 - STATUS CONFERENCE

BEFORE THE HONORABLE STEVEN W. RHODES
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtor:	Jones Day By: GREGORY M. SHUMAKER 51 Louisiana Avenue, N.W. Washington, DC 20001-2113 (202) 879-3679
	Jones Day By: CORINNE BALL 222 East 41st Street New York, NY 10017-6702 (212) 326-7844
For Syncora Holdings, Ltd., Syncora Guarantee, Inc., and Syncora Capital Assurance, Inc.:	Kirkland & Ellis, LLP By: STEPHEN C. HACKNEY 300 North LaSalle Chicago, IL 60654 (312) 862-2074
For Detroit Entertainment, LLC-Motor City Casino and Greektown Casino, LLC:	Honigman, Miller, Schwartz & Cohn, LLP By: JUDY B. CALTON 660 Woodward Avenue, Suite 2290 Detroit, MI 48226 (313) 465-7344

Street, Inc. v. Goldberg, 811 F. Supp. 900 at 906, Southern District of New York, 1993.

Pursuant to the collateral agreement, the casino deposit -- the casino deposits -- sorry -- the casinos deposit the funds owed to the city into the subaccount. For the subaccount to be an escrow account, as Syncora argues, the arrangement would have to be such that the casinos would retain ownership of the funds; however, there is simply no basis in the collateral agreement for such a finding.

Likewise, there is no support for Syncora's alternative argument that U.S. Bank, as the custodian, owns the funds. The fact that the city is not in possession of the casino revenues is of no consequence in determining whether they are the city's property. See, for example, United States versus Whiting Pools, Inc., 462 U.S. 198, 103 Supreme Court Reporter 2309, 1983. The Court must conclude that the casino revenues are, under applicable state law, property of the city.

Section 362(b)(17) of the Bankruptcy Code exempts from the automatic stay, quote, "the exercise by a swap participant or a financial participant of any contractual right (as defined in section 560) under any security agreement or arrangement or other credit enhancement forming a part of or related to any swap agreement, or of any contractual right (as defined in section 560) to offset or

net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more such agreements, including any master agreement for such agreements."

Section 101(53C) of the Bankruptcy Code defines swap participant as, quote, "an entity that, at any time before the filing of the petition, has an outstanding swap agreement with the debtor," close quote.

It is Syncora's position that the swap counterparties are swap participants and that Syncora has the right to direct the actions of the swap counterparties under the collateral agreement and that, therefore, any action taken by the swap counterparties at the direction of Syncora is not subject to the automatic stay. Syncora also contends that because it is a third-party beneficiary of the collateral agreement, it is a swap participant. The Court concludes, however, that there is no legal support for either of Syncora's arguments. Syncora is not a swap participant as that term is defined by the Bankruptcy Code, and the Court concludes, therefore, that it cannot rely on Section 362(b)(17). If Congress had intended to include a party like Syncora within the definition of a swap participant on the grounds that Syncora now asserts, Congress could readily have done that with more expansive language, but it did not. Instead, it limited the definition to those who have swap

agreements with the debtor, which Syncora does not.

Lastly, Syncora argues that Section 922(d) of the Bankruptcy Code is applicable. That section provides, quote, "Notwithstanding section 362 of this title and subsection (a) of this section, a petition filed under this chapter does not operate as a stay of application of pledged special revenues in a manner consistent with section 927 of this title to payment of indebtedness secured by such revenues." Assuming, without deciding, that the funds on deposit with U.S. Bank are special revenues, this section is inapplicable. Syncora does not have a lien on the revenues. Further, the accumulation of the funds in the subaccount is not the, quote, "application of special pledged revenues to the payment of indebtedness," close quote. It is merely an administrative act. Therefore, there is no indebtedness to Syncora here.

Accordingly, the Court concludes that the casino revenues are protected by the automatic stay. The Court will prepare and enter an order to that effect. This order will, of course, be without prejudice to the right of any party to seek relief from the stay under Section 362(d).

So let's turn then to the adversary proceeding. In light of this order, is the city prepared to dismiss the adversary proceeding against Syncora and others?

MR. SHUMAKER: Your Honor, Gregory Shumaker of Jones

(Proceedings concluded at 11:01 a.m.)

* * *

INDEX

WITNESSES:

None

EXHIBITS:

None

I certify that the foregoing is a correct transcript from the sound recording of the proceedings in the above-entitled matter.

/s/ Lois Garrett August 30, 2013

Lois Garrett

EXHIBIT F

LAW OFFICES
Lewis & Munday
A PROFESSIONAL CORPORATION
Formerly Lewis, White & Clay, P.C.
2490 First National Building
660 Woodward Avenue
Detroit, Michigan 48226

TELEPHONE (313) 961-2550
TELECOPIER (313) 961-1270

June 26, 2009

UBS AG
Stamford, Connecticut

SBS Financial Products Company, LLC
New York, New York

Merrill Lynch Capital Services, Inc.
New York, New York

Ladies and Gentlemen:

This opinion letter is delivered to you pursuant to Section 2.4 of the Collateral Agreement, dated as of June 15, 2009 (the ***Collateral Agreement***), among the City of Detroit, Michigan (the ***City***), the Detroit General Retirement System Service Corporation (a ***Service Corporation***), the Detroit Police and Fire Retirement System Service Corporation (also, a ***Service Corporation***), the U.S. Bank National Association, as custodian, and the other parties thereto (the ***Counterparties***).

Undefined capitalized terms used herein and defined in the Collateral Agreement are used herein as therein defined. As used herein, ***Resolution*** means the resolution of the City adopted on June 23, 2009, implementing the terms of the Authorizing Ordinance.

We acted as special counsel to the City and to each of the Service Corporations in connection with the Settlement Transaction.

We have examined such documents (including, but not limited to, the Collateral Agreement, the Irrevocable Instructions, the Hedges, and the Service Contracts (collectively, the ***Documents***) and made such investigation of law as we deemed appropriate to render the opinions set forth below. As to matters of fact material to our opinions, we have relied, without independent investigation, on representations made in the Documents and certificates of the City and each Service Corporation. We have also relied on matters of fact in certificates of public officials.

We note that the Collateral Agreement is governed by New York law to the extent set forth in the Collateral Agreement. The opinions given herein with respect to the Collateral Agreement are given as if the Collateral Agreement were governed by the internal law of Michigan.

Based on the foregoing, we are of the opinion that:

1. Each of the Authorizing Ordinance and the Resolution was duly adopted in accordance with state law and the requirements of the Charter of the City (the ***Charter***), has not been amended, and is valid and binding.

2. Each Service Corporation validly exists as a nonprofit corporation under the laws of the State of Michigan and has the corporate power to enter into the Documents to which it is a party. The City has the power to enter into the Documents to which it is a party.

3. The City Hedge Payables Related Obligations and all obligations of the City under the Authorizing Ordinance and the Documents are contractual obligations, enforceable in the same manner as any other contract of the City and are not general obligations of the City to which the City has pledged its full faith and credit or ad valorem taxing power.

4. The Settlement Transaction will not cause the City to violate or exceed any applicable debt limit or constitute or create any "indebtedness" of the City within the meaning of any limitation of The Home Rule City Act, being Act 279 of 1909 of the Public Acts of Michigan, as amended, or any Michigan constitutional or other non-tax statutory or City charter limitation.

5. The City Pledge, including the lien of the City Pledge (i) has been validly established, in favor of the Service Corporations, pursuant to each of the Authorizing Ordinance and the Collateral Agreement, (ii) is valid, binding and enforceable against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such claims are voluntary or involuntary or any such claimants have notice of the City Pledge; and (iii) is a valid lien in the Pledged Property, whether received or to be received. Neither the Authorizing Ordinance nor the Collateral Agreement nor any other document or any statement, or instrument by which the City Pledge is created or evidenced nor any financing statement or other notice need be recorded or filed.

6. The Service Corporation Security Interest (i) has been validly established, in favor of the Counterparties, pursuant to each of the Authorizing Ordinance and the Collateral Agreement; (ii) is valid, binding, and enforceable; and (iii) is perfected as a security interest in the Service Corporation Property.

7. To the extent that the Governmental Exception is applicable, the Service Corporation Pledge, including the lien of the Service Corporation Pledge has been validly established, in favor of the Counterparties, pursuant to each of the Authorizing Ordinance and the Collateral Agreement, is valid, binding, and enforceable against all parties having claims of any kind in tort, contract or otherwise against a Service Corporation irrespective of whether such claims are voluntary or involuntary or any such claimants have notice of the Service Corporation Pledge and is a valid lien on the Service Corporation Property. Neither the Authorizing Ordinance nor the Collateral Agreement nor any other document or any statement, or instrument by which the Service Corporation Pledge is created or evidenced nor any financing statement or other notice need be recorded or filed.

8. The Documents to which the City or a Service Corporation is a party are valid, binding and enforceable against the City and each Service Corporation in accordance with their respective terms.

9. The pledge and use of Wagering Tax Property as contemplated in the Settlement Transaction constitute authorized purposes under the Wagering Tax Revenue Statute (including, without limitation, Section (3)(a) of the Wagering Tax Revenue Statute, and if applicable, any regulation or ordinance, other than the Authorizing Ordinance, relating thereto), the Authorizing Ordinance and Section 18-14-1 et seq. of the Detroit City Code.

10. The pledge and use of the Wagering Tax Property as contemplated by the Settlement Transaction does not and shall not "supplant existing...local expenditures" as prohibited by Section 12(14) of the Wagering Tax Revenue Statute.

11. The Settlement Transaction and any other transactions to be consummated in connection therewith are not subject to approval by vote of the electors of the City and are not subject to any right of referendum by City electors.

12. Any action taken by the City Council by the Resolution, in lieu of an ordinance, has the same force and effect as if taken by ordinance.

13. The execution, delivery and performance of the Documents to which the City is a party have been duly authorized by all necessary action on the part of the City. The Documents to which the City is a party have been duly executed and delivered by the City.

14. The execution, delivery and performance of the Documents to which the Service Corporations are parties have been duly authorized by all necessary action on the part of the Service Corporations. The Documents to which the Service Corporations are parties have been duly executed and delivered by the Service Corporations.

15. No further governmental or judicial consents, approvals, authorizations, registrations, declarations, or filings are required to be obtained or made by the Service Corporations in order to execute, deliver, or perform their obligations under the Documents or to consummate the transactions contemplated by the Documents.

16. The execution, delivery and performance of each of the Documents by each Service Corporation do not violate any provision of either Service Corporation's Articles of Incorporation or By-laws or the City Charter or Detroit City Code, conflict with or constitute on the part of a Service Corporation a breach or default under any existing law, regulation, court order or consent decree to which either Service Corporation is subject, or to the best of our knowledge, after due inquiry, any agreement or instrument to which the City or either Service Corporation is a party or by which it is bound.

17. There is no action, suit or proceeding pending or, to the best of our knowledge after due investigation, threatened against or affecting the Service Corporations before any court or arbitrator or any governmental body, agency or official which, if adversely decided, would materially adversely affect the ability of the a Service Corporation to perform its obligations under any of the Documents to which it is a party.

18. Pledged Property or Service Corporation Property does not include:

(a) amounts payable by the State of Michigan (the "State") to or for the City under the State Revenue Sharing Act of 1971 and the Single Business Tax Act of 1975 and any other State laws hereinafter enacted that provide for the distribution of State-collected taxes described in the foregoing acts ("Distributable State Aid"), the receipt of which Distributable State Aid (other than the certain sales tax component thereof) is dependent upon annual appropriations by the State legislature, which may discontinue some or all of the taxes making up Distributable State Aid or decrease the same or discontinue or diminish the amount or change the manner of distribution of Distributable State Aid; or

(b) the 1989 City of Detroit Distributable State Aid Resource Recovery Obligations Set Aside Trust Fund (the "Set Aside Trust Fund") created by the City with the State Aid Trustee,

For purpose of the foregoing, the following definitions apply:

"Authority" means the Greater Detroit Resource Recovery Authority, a public body corporate and politic created by the cities of Detroit and Highland Park, Michigan, and any successor thereto.

"State Aid Trustee" means Comerica Bank, a Michigan banking corporation, as trustee under the Supplemental Service Contract, and each successor as such trustee and each separate trustee and co-trustee thereunder.

"Supplemental Service Contract" means the Supplemental Service Contract between the City and the Authority.

Our opinions with respect to the validity and enforceability of the Documents are subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law.

Our opinions are limited to Michigan law (without reference to its conflicts of law rules) and the federal law of the United States of America. Further, our opinions are given on and as of the date hereof only and do not contemplate, and no opinion is given or intended with respect to, future events or subsequent changes in law or fact.

This opinion letter is provided for the benefit of the persons to whom it is addressed and may not be relied upon or quoted from or referred to without our prior written consent except that this opinion letter may be included in a transcript of the record of proceedings relating the Settlement Transaction and reference may be made to it in the index of documents in such transcript.

Very truly yours,

Dewey & Weedley

A Professional Corporation

LAW OFFICES
Lewis & Munday
A PROFESSIONAL CORPORATION
Formerly Lewis, White & Clay, P.C.
2490 First National Building
660 Woodward Avenue
Detroit, Michigan 48226

TELEPHONE (313) 961-2550
TELECOPIER (313) 961-1270

June 26, 2009

U.S. Bank National Association
Detroit, Michigan

Financial Guaranty Insurance Company
New York, New York

Syncora Guarantee, Inc.
New York, New York

Re: Collateral Agreement, dated as of June 15, 2009 (the ***Collateral Agreement***), among the City of Detroit, Michigan, the Detroit General Retirement System Service Corporation, the Detroit Police and Fire Retirement System Service Corporation, the U.S. Bank National Association, as custodian, and the other parties thereto

Ladies and Gentlemen:

The first of you is acting as Custodian under the Collateral Agreement and the other two of you are Insurers as such term is defined in the Collateral Agreement.

We have this day delivered our opinion letter with respect to the Collateral Agreement and other matters set forth therein. Each of you may rely on such opinion letter in your respective capacities as if it were addressed to you.

Very truly yours,

Lewis & Munday,
A Professional Corporation

EXHIBIT G

ORRICK

ORRICK, HERRINGTON & SUTCLIFFE LLP
666 FIFTH AVENUE
NEW YORK, NY 10103-0001
tel 212-506-5000
fax 212-506-5151
WWW.ORRICK.COM

JUNE 26, 2009

THE PARTIES LISTED ON SCHEDULE A HERETO

Re: Collateral Agreement, dated as of June 15, 2009, among the City of Detroit, certain Service Corporations, acting severally and not jointly, U.S. Bank National Association, as Custodian, and certain Counterparties

Ladies and Gentlemen:

We have acted as special counsel to the City of Detroit, Michigan (the "City"), the Detroit General Retirement System Service Corporation ("GRS") and the Detroit Police and Fire Retirement System Service Corporation ("PFRS" and, together with GRS, the "Service Corporations") in connection with the settlement and release of certain claims that could have been asserted against the City and the Service Corporations under certain interest rate exchange agreements that were entered into by the Service Corporations in connection with the $948,540,000 Taxable Certificates of Participation, Series 2006, issued by the Detroit Retirement Systems Funding Trust 2006 (the "Certificates"). The Certificates are payable solely from certain Service Payments to be made by the City pursuant to certain Service Contracts between the City and the Service Corporations. In connection with the issuance of the Certificates, the Service Corporations entered into several interest rate exchange agreements (collectively, the "Swap Agreements") with UBS AG, SBS Financial Products Company, LLC (SBS), and Merrill Lynch Capital Services, Inc., as credit support provider to SBS, (collectively, the Counterparties). Additionally, certain payments under the Swap Agreements were guaranteed under insurance policies issued either by Financial Guaranty Insurance Company ("FGIC") or XL Capital Assurance Inc., now Syncora ("XL") (collectively, the "Insurers"). As the result of a series of rating downgrades of the Certificates and Insurers in 2008 and 2009, the Service Corporations were notified by the Counterparties that they believed that an Additional Termination Event had occurred under each respective Swap Agreement, providing the Counterparties the right to seek termination of their respective Swap Agreement.

Pursuant to an ordinance adopted by the City Council of the City on May 19, 2009, Ordinance 05-09 (the "Ordinance") and a resolution adopted by the City Council on June 23, 2009 (the "Resolution"), the City and the Service Corporations were authorized to execute and deliver that certain Collateral Agreement, dated as of June 15, 2009, among the City, the Service Corporations, acting severally and not jointly, U.S. Bank National Association, as Custodian, and the Counterparties (the "Collateral Agreement"). Unless otherwise defined herein, capitalized terms used herein that are defined in the Collateral Agreement shall have the meanings herein as given to such terms in the Collateral Agreement. Pursuant to the Ordinance, the City has pledged to the Service Corporations the City's rights to, among other property, certain wagering taxes levied or imposed by Detroit City Code Section 18-4-3 pursuant to Section 12(4)(b) of the Wagering Tax Revenue Statute (the "Wagering Taxes"), now or hereafter receivable by the City to secure payment of the obligations under the Swap Agreements as and when the same become due and payable. Pursuant to the Ordinance and the Collateral Agreement, each Service Corporation, in turn, pledged to the Counterparties, severally and not jointly, as security for such Service Corporation's obligations under the respective Swap Agreements, its rights to the City Pledge. Pursuant to certain Irrevocable Instructions, dated June [25], 2009, the City has instructed each Casino Licensee to make payment of the Wagering Taxes and other amounts owed to the City to the Custodian for credit to a specially designated account as set forth in such Irrevocable Instructions.

You have requested our opinion as to whether, if the City or a Service Corporation were to become a debtor in a case under Chapter 9 of the United States Bankruptcy Code (Title 11, U.S.C.) (the "Bankruptcy Code"), the Wagering Taxes would constitute "special revenues" under section 902(2) of the Bankruptcy Codes.

In connection with our role as special counsel to the City and the Service Corporations, we have reviewed (i) the Collateral Agreement; (ii) the Irrevocable Instructions; (iii) the Hedge; and (iv) the Service Contracts (collectively, the "Documents"). We have also reviewed the Ordinance and the Resolution. In addition, we have examined and relied on such agreements, documents, instruments and other certificates of officials, officers and representatives of the City and the Service Corporations and we have made such investigations of law as we have deemed appropriate as a basis for the opinions and conclusions expressed herein. For purposes of this opinion, we have not reviewed any documents other than the Documents. In particular, we have not reviewed any document (other than the Documents) that is referred to in or incorporated by reference into any Document. We have assumed without investigation that there exists no provision in any document that we have not reviewed that is inconsistent with the

opinions stated herein. We have conducted no independent factual investigation of our own, but rather have relied solely upon the Documents, the statements and information set forth therein, and the additional matters recited or assumed therein, all of which we have assumed to be true, complete, and accurate in all material respects. We have also assumed without investigation the accuracy of all representations and warranties as to matters of fact contained in the Documents. Because the opinions set forth herein are based solely upon our review of the Documents, we express no opinion herein as to the effect of any transaction other than, or any act or omission of any person or entity other than the parties to, the transactions contemplated by the Documents.

For purposes of this opinion, we have assumed, without investigation, that the following statements are correct:

1. Each of the Documents has been duly authorized, executed, and delivered by each of the parties thereto, constitutes the valid and binding obligation of each of the parties thereto, the executed Documents as to which we have reviewed forms will conform in all respects with the form reviewed, and will be enforceable against each such party in accordance with the terms thereof. Each of the Documents, and the transactions contemplated thereby, is performed by each of the parties thereto and complies with all applicable laws, and each of the parties to the transactions contemplated by the Documents complies in all material respects with applicable laws.

2. As of the date hereof, the City and each of the Service Corporation has sufficient working capital to satisfy its uncontested liabilities as such liabilities become due.

3. The City and each Service Corporation is eligible to be a debtor only under Chapter 9 of the Bankruptcy Code. Less than 80 percent of the value of the assets of the City or a Service Corporation consist of assets relating to farming operations. Neither the City nor either Service Corporation is a bank. Neither the City nor a Service Corporation owns trackage facilities that are leased by a common carrier by railroad engaged in the transportation of individuals or property. Neither the City nor a Service Corporation is a common carrier by railroad engaged in the transportation of individuals or property. Neither the City nor a Service Corporation is a corporation organized under Section 25A of the Federal Reserve Ordinance that operates, or that operates as, a multilateral clearing organization pursuant to Section 409 of the Federal Deposit Insurance Corporation Improvement Ordinance of 1991.

4. The obligation of the City and each Service Corporation under the Ordinance constitute valid and binding obligations of the City and each Service Corporation enforceable in accordance with their terms under the Ordinance.

5. The City Pledge, as set forth in the Ordinance, is valid, binding and enforceable.

6. Article XIV of Chapter 18 of the Detroit City Code is in full force and effect in accordance with all applicable City Charter, constitutional and statutory requirements, and is within the City's powers, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the City Charter or of any agreement, judgment, injunction, order, decree or other instrument binding upon the City. The City has not rescinded, reduced or ceased to impose the Wagering Taxes.

Chapter 9 of the Bankruptcy Code affords special protection to certain creditors having a lien on "special revenues" from the effect of Section 552(a). Under Bankruptcy Code Section 552(a), property acquired by a debtor after filing bankruptcy is not subject to any lien created prior to bankruptcy. See, e.g., United Sav. Ass'n v. Timbers of Inwood Forest, 484 U.S. 365, 374 (1988). Section 552(a) is incorporated into Chapter 9 of the Bankruptcy Code through Bankruptcy Code § 901. In 1988, Congress enacted a limited exception to the application of Section 552(a) by making Bankruptcy Code § 552(a) inapplicable to "special revenues". Thus, under Bankruptcy Code § 928, bondholders secured by a lien on special revenues retain their lien on the special revenues that arise post-petition. See, In re County of Orange, 179 B.R. 185, 191-192 (Bankr. C.D. Cal. 1995) ("Code § 928 was enacted [to] mak[e] § 552(a) inapplicable to revenue bonds."

Section 902(2) defines "special revenues, in relevant part, as:

". . . special excise taxes imposed on particular activities or transactions."

While there is no specific definition of excise taxes under the Bankruptcy Code, particularly under Section 902(2), excise taxes have been defined in other sections under the Bankruptcy Code as "an indirect tax that is not directly imposed upon persons or property, but one that is imposed on the performance of an act, the engaging in any occupation, or the enjoyment of a privilege." New Neighborhoods, Inc. v. West. Va. Workers Comp. Ins. Fund,

886 F.2d 714 (4th Cir. 1989) (premiums owed to a workers' compensation fund were excise taxes entitled to priority under Bankruptcy Code § 507(a)(7)).

In In re Lorber Industries of California, Inc., 675 F.2d 1062, 1066 (9th Cir. 1982), the Ninth Circuit set forth the following four-prong test to determine whether an exaction should be characterized as a tax:

(a) an involuntary pecuniary burden, regardless of name, laid upon individuals or property;

(b) imposed by, or under authority of the legislature;

(c) for public purposes, including the purposes of defraying expenses of government or undertakings authorized by it;

(d) under the police or taxing power of the state.

Here, the Wagering Tax Revenue Statute authorized the City to impose both a wagering tax and a municipal services fee upon a person who is licensed by the Michigan Gaming Control Board to operate a casino within the City of Detroit. The Wagering Taxes were imposed by the City on each of the Casino Licensees, the proceeds of which are required to be used by the City for the purposes authorized and set forth in the Wagering Tax Revenue Statute. Pursuant to Detroit City Code Section 18-4-3, adopted pursuant to Section 12(4)(b) of the Wagering Tax Revenue Statute, the City imposed the Wagering Taxes. Detroit City Code Section 18-4-3 specifically provides that:

> "(a) a wagering tax is hereby imposed **as an excise tax** upon the adjusted gross receipts of a casino licensee.
>
> (b) The wagering tax that is imposed pursuant to this section shall be equal to nine and nine-tenths percent (9.9%) of the **adjusted gross receipts** which are received by a casino licensee and subject to tax under subsection (a) of this section.
>
> (c) The wagering tax that is imposed pursuant to this section shall be applied against all **adjusted gross** receipts received in 1999 and each year thereafter in which a casino licensee is licensed by the

board to conduct a gambling operation within the city." (emphasis added)

Thus, a court should conclude that the Wagering Taxes are excise taxes within the meaning of Bankruptcy Code § 902(2). As described in the legislative history, the term "special revenues" was intended "to cover special excise taxes imposed on particular activities or transactions---such as an excise tax on hotel or motel rooms imposed by some municipalities or an excise tax on the sale of alcoholic beverages." H.R. Rep. 100-1011, 100th Cong., 2d Sess. 6-7 (1988); S. Rep. 100-506, 100th Cong., 2d Sess. 21 (1988); and see Collier on Bankruptcy 4-507 ¶ 507.10[6] (15th ed. Rev.) (The legislative history to the Bankruptcy Code suggests that excise taxes includes sales taxes, estate and gift taxes, gasoline and special fuel taxes, and wagering and truck taxes). See United Parcel Serv., Inc. v. Flores-Galarza, 318 F.3d 323, 326 n.1 (1st Cir. 2003) (quoting Black's Law Dictionary at 585 (7th ed. 1999)) ("[a]n excise tax is '[a] tax imposed on the manufacture, sale, or use of goods ... or an occupation or activity....' "); In re Albion Health Servs., 339 B.R. 171, 178-79 (Bankr. W.D. Mich. 2006) (contributions to the Michigan Unemployment Compensation Fund was not a "tax" entitled to priority; court stated that "An excise tax is: [a] tax imposed on the performance of an act, the engaging in an occupation, or the enjoyment of a privilege. [citation omitted] A tax on the manufacture, sale, or use of goods or on the carrying on of an occupation or activity, or a tax on the transfer or property. In current usage the term has been extended to include various license fees and practically every internal revenue tax except the income tax (*e.g.,* federal alcohol and tobacco excise taxes, IRC § 5001 et seq.")) (citing Black's Law Dictionary (6th Edition)).

In In re Juvenile Shoe Corporation of America, 99 F.3d 898 (8th Cir. 1996), the Eighth Circuit held that a 15% flat tax levied on funds reverted to an employer from an over-funded employer pension fund constitutes an excise tax because it was designed to capture the tax benefit the employer received at the expense of the government while the funds were held in the tax-exempt pension trust. Thus, it had the same effect as assessing the tax prior to the employer's placement of the funds in the pension plan and accordingly the primary objective was to support the government rather than to penalize an unlawful act. But see United States v. Reorganized CF&I Fabricators of Utah, Inc., 518 U.S. 213 (1996) (an IRS provision imposing a ten percent "tax" on any accumulated funding deficiency of certain pension plans was not an excise tax but instead was, for bankruptcy purposes, a penalty to be dealt with as an ordinary unsecured claim); and In re Jenny Lynn Min. Co., 780 F.2d 585, 588 (6th Cir. 1986) (a tax is an exaction for public purposes; fee for obtaining a strip mining permit is not an excise tax).

Based on and subject to the foregoing, as well as the limitations set forth below and the further qualification that there is no case directly on point, we are of the opinion that if the matter were properly briefed and presented to a court, the court would hold that the Wagering Taxes constitute "special revenues" under Section 902(2) of the Bankruptcy Code.

We express no opinion whether Bankruptcy Code § 928 applies with respect to the City Pledge. We note that some courts have held that Bankruptcy Code § 928 is not unlimited. See In re County of Orange, 179 B.R. at 191-192 ("Section 928 was narrowly crafted to apply only to special revenue bonds)." One noted treatise has indicated that the purpose of Section 928 "was to protect liens granted to secure financings which related to the purpose for the financing" and "should not be construed as authorizing the special treatment . . . on special revenues unrelated to the project, system or works for which the bonds were issued." Collier on Bankruptcy ¶ 507.10[6]. Collier goes on to say "For example, a lien on receipts from an existing hotel/motel tax to secure bonds issued to build a new city college facility, or a lien on sewer tax revenues to secure bonds for an electric generating station, should not qualify for the special treatment afforded revenue bonds by the 1988 Amendments." Id.

We express no opinion concerning the laws of any jurisdiction other than the Bankruptcy Code and, of the Bankruptcy Code, Chapter 9 of the Bankruptcy Code. We do not express any opinion herein as to any bankruptcy case affecting any entity other than the City or a Service Corporation, or as to any case involving the City or either Service Corporation under any other chapter of the Bankruptcy Code. We also do not express any opinion as to any wagering taxes other than the Wagering Taxes or whether the municipal services fee imposed by Detroit City Code Section 18-14-4 pursuant to Section 12(4)(b) of the Wagering Tax Revenue Statute constitutes "special revenues". We express no opinion as to whether a Service Corporation is eligible to be a debtor under Chapter 9 of the Bankruptcy Code.

The opinions set forth above are given as of the date hereof and we disavow any undertaking or obligation to advise you of any changes in law or any facts or circumstances that may hereafter occur or come to our attention that could affect such opinions. Furthermore, it is our and your understanding that the foregoing opinions are not intended to be a guaranty as to what a particular court would actually hold, but an opinion as to the decision a court should reach if the issue were properly presented to it and the court followed what we believe to be the applicable legal principles. In that regard, you should be aware that all of the foregoing opinions are subject to inherent limitations because of the pervasive equity powers of bankruptcy courts,

the overriding goal of reorganization to which other legal rights and policies may be subordinated, the potential relevance to the exercise of judicial discretion of future-arising facts and circumstances and the nature of the bankruptcy process. This opinion is solely for your benefit in connection with the transactions described in the first paragraph hereof and may not be relied upon or used by, circulated, quoted or referred to, nor may copies hereof be delivered to, any other person without our prior written approval.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

ORRICK, HERRINGTON & SUTCLIFFE LLP

ORRICK

SCHEDULE A

The City of Detroit City of Detroit Law Department First National Building, Suite 1650 660 Woodward Avenue Detroit, Michigan 48226	U.S. Bank, National Association 535 Griswold, Suite 550 Detroit, Michigan 48226
UBS Securities LLC 677 Washington Boulevard Stamford, CT 06901	SBS Financial Products Company, LLC 100 Wall Street, 22nd Floor New York, New York 10005
Merrill Lynch Capital Services, Inc. Merrill Lynch World Headquarters 4 World Trade Center, 18th Floor New York, New York 10080	Financial Guaranty Insurance Company 125 Park Avenue New York, New York 10017
Syncora Guaranty Inc. 1221 Avenue of the Americas New York, New York 10020	

EXHIBIT H

WAIVER AND CONSENT OF INSURER

June 26, 2009

Reference is hereby made to (i) that certain ISDA Master Agreement (including the Schedule as amended and restated as of June 26, 2009 and the Confirmation as revised as of June 26, 2009) and any annexes thereto), dated as of June 7, 2006, between SBS Financial Products Company, LLC ("SBS") and Detroit General Retirement System Service Corporation ("GRS"); (ii) that certain ISDA Master Agreement (including the Schedule as amended and restated as of June 26, 2009 and the Confirmation as revised as of June 26, 2009) and any annexes thereto), dated as of May 25, 2005, between SBS and Detroit Police and Fire Retirement System Service Corporation ("PFRS" and, together with GRS, the "Service Corporations"); (iii) that certain ISDA Master Agreement (including the Schedule as amended and restated as of June 26, 2009 and the Confirmation as revised as of June 26, 2009) and any annexes thereto), dated as of June 7, 2006, between UBS AG ("UBS" and, together with SBS, the "Swap Counterparties") and GRS; (iv) that certain ISDA Master Agreement (including the Schedule as amended and restated as of June 26, 2009 and the Confirmation as revised as of June 26, 2009) and any annexes thereto), dated as of May 25, 2005, between UBS and PFRS, in each case, with Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.) (the "Swap Insurer") as insurer of certain of the obligations of the Service Corporations (collectively, the "Swap Agreements"); (v) that certain Detroit General Retirement System Service Contract as amended as of June 26, 2009 (the "GRS Service Contract"), originally entered into on June 7, 2006, between The City of Detroit (the "City") and GRS; and (vi) that certain Detroit Police and Fire Retirement System Service Contract as amended as of June 26, 2009 (the "SBS Service Contract" and together with the GRS Service Contract, the "Service Contracts"), originally entered into on June 7, 2006, between the City and SBS. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Swap Agreements.

The Service Corporations and the Swap Counterparties have engaged in negotiations relating to the occurrence of an Additional Termination Event (the "Relevant Event"), as set forth, prior to the Amendment Effective Date, in Part 5(ii)(b)(Z) (with respect to the Swap Agreements to which UBS is party) and Part 5(b)(ii)(3) (with respect to the Swap Agreements to which SBS is party) of the Schedules to the Swap Agreements. As a result of these negotiations, the Swap Counterparties have agreed, among other things, to (i) amend the terms of each of the Swap Agreements, as reflected in the Schedules thereto, as amended and restated as of the Amendment Effective Date (together, the "Amended and Restated Schedules") and (ii) cause the terms of each of the Service Contracts to be amended. For purposes of this Waiver and Consent, "Amendment Effective Date" means June 26, 2009.

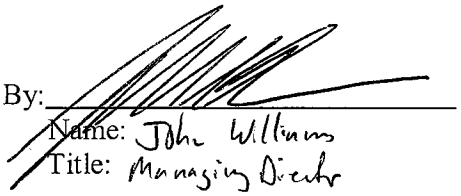
The Swap Insurer hereby (i) waives its right to declare an Early Termination Date, and hereby rescinds any previously declared notice of Termination Event and/or designation of Early Termination Date, in connection with the Relevant Event under each of the Swap Agreements; (ii) consents to the amendment of the Swap Agreements, as reflected in the Amended and Restated Schedules attached hereto as Exhibits A through D and the Revised Confirmations attached hereto as Exhibits E through H; and (iii) consents to the amendment of the Service Contracts attached hereto as Exhibits I and J.

After giving effect to this Waiver and Consent, the obligations of the Swap Insurer under the Swap Insurance Policy as endorsed on the date hereof are in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned hereto has caused this Waiver and Consent to be duly executed as of the date first written above.

SYNCORA GUARANTEE INC.



By: _____
Name: John Williams
Title: Managing Director

EXHIBIT E

Revised Confirmation between SBS and GRS

REVISED CONFIRMATION
(General Retirement System/Syncora)

To: Detroit General Retirement System Service Corporation
Detroit, Michigan
Attention: Norman L. White

Date: June 26, 2009

Our Reference No. SBSFPC-0012

The purpose of this letter agreement (the "Revised Confirmation") is to confirm the terms and conditions of the transaction (the "Transaction") entered into between us on the Trade Date specified below. This letter agreement constitutes a "Confirmation" as referred to in the Master Agreement specified below. This Revised Confirmation shall replace and supersede all previous Confirmations relating to the Transaction documented herein.

The definitions and provisions contained in the 2000 ISDA Definitions (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Revised Confirmation. In the event of any inconsistency between the Definitions and this Revised Confirmation, this Revised Confirmation will govern. Each party represents and warrants to the other that (i) it is duly authorized to enter into this Transaction and to perform its obligations hereunder, (ii) the Transaction and the performance of its obligations hereunder do not violate any material obligation of such party, and (iii) the person executing this Revised Confirmation is duly authorized to execute and deliver it.

1. This Revised Confirmation supplements, forms part of, and is subject to, the 1992 ISDA Master Agreement between us, dated June 7, 2006, as amended and supplemented from time to time (the "Agreement"). All provisions contained in the Agreement govern this Revised Confirmation except as expressly modified below.

2. The terms of the particular Transaction to which this Revised Confirmation relates are as follows:

Party A:	SBS Financial Products Company, LLC
Party B:	Detroit General Retirement System Service Corporation
Insurer	Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.) ("Insurer")
Notional Amount:	Initially USD 45,252,000, thereafter amortizing as set forth on Exhibit A hereto.
Trade Date:	June 7, 2006
Effective Date:	June 12, 2006

Termination Date:	June 15, 2029, or such earlier date upon which the Agreement terminates.
Business Days	New York and London
FIXED AMOUNTS:	
Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Each March 14, June 14, September 14 and December 14, from and including September 14, 2006 up to and including the June 14, 2032, subject to adjustment in accordance with the Business Day Convention specified below.
Period End Dates:	March 15, June 15, September 15 and December 15, from and including September 15, 2006 up to and including the Termination Date, with No Adjustment.
Fixed Rate:	In accordance with the following schedule:

From and Including	To and Excluding	Rate (per annum)
Effective Date	June 15, 2007	4.991%
June 15, 2007	June 15, 2008	5.666%
June 15, 2008	July 1, 2010	6.223%
July 1, 2010	Termination Date	6.323%

Fixed Rate Day Count Fraction:	30/360
Business Day Convention:	Preceding.
FLOATING AMOUNTS:	
Floating Rate Payer:	Party A
Floating Rate Payer Payment Dates:	Each March 14, June 14, September 14 and December 14, from and including September 14,

	2006 up to and including the June 14, 2032, subject to adjustment in accordance with the Preceding Business Day Convention.
Floating Rate Option:	USD – LIBOR – BBA.
Period End Dates:	Each March 15, June 15, September 15 and December 15, from and including September 15, 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate Day Count Fraction:	Actual/360
Designated Maturity:	Three Months, except that in respect to the initial Calculation Period, Linear Interpolation shall apply
Method of Averaging:	Inapplicable.
Spread:	0.300 percent per annum.
Reset Date:	Initially, the Effective Date and thereafter, on each March 15, June 15, September 15 and December 15, from and including the September 15, 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Compounding:	Inapplicable.

3. **Swap Advisor Fees**

Swap Advisor:	Scott Balice Strategies LLC
Swap Advisor Fee:	On behalf of Party B, a fee of USD 36,273.25 is being paid by Party A in respect of this Transaction to the Swap Advisor. Such fee is equal to the present value of 0.65 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Trade Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by Party B hereunder.

Swap Advisor Fee Payment Date:	Upon closing of the 2006 Pension Funding Securities

4. **Account Details**

Payments to Party A:
Account for payments in USD:
Favour: Deutsche Bank, NY
ABA/Bank No.: 021-001-033
Account No.: 01419647
Reference: SBS Swap
Attention: Safet Kalabovic

Payments to Party B:
ABA=U.S. BANK, Minneapolis
(091000022)
FBO=FOR FURTHER CREDIT
TO U.S. BANK, N.A.
AC=180121167365
REF: Detroit COPS GRS
Trust #: 794367001
Contact: Jill Ling 651-495-3712

5. **Optional Termination.** With the prior consent of the Insurer, Party B shall have the right to terminate this Transaction (provided that no Event of Default or Termination Event has occurred) by providing (i) at least five (5) Business Days' prior written notice to Party A of its election to terminate this Transaction and (ii) evidence reasonably satisfactory to Party A that any and all amounts owed to Party A in connection with such early termination shall be paid on the due date thereof. On the Optional Termination Date set forth in such notice, an amount, determined by Party A, shall be payable by Party A or the Party B, as the case may be, in respect of such termination. If such amount is not acceptable to Party B, then Party A shall determine such amount in accordance with Section 6 of the Agreement, assuming Market Quotation and Second Method apply and Party B is the sole Affected Party. For purposes of the Transaction Transfer Agreement by and between Party A, Party B and Merrill Lynch Capital Services, Inc., as the Credit Support Provider of Party A, dated as of June 7, 2006 (the "Transaction Transfer Agreement"), any partial optional termination pursuant to this Paragraph 5 shall not constitute an Event of Default or a Termination Event or result in the designation of an Early Termination Date with respect to this Transaction.

6. **Adjustment Event** If on the Effective Date or any date thereafter (an "Adjustment Event Date") the Notional Amount of this Transaction is greater than the Related Principal Amount, an Adjustment Event shall occur and the Notional Amount shall be reduced to the extent necessary to make such Notional Amount as of the Adjustment Event Date equal to the Related Principal Amount. As used herein:

(a) the term "Related Principal Amount" means Party A's Swap Percentage of Party B's Allocable Share of the aggregate principal amount of the outstanding Syncora-Insured Floating Rate Certificates;

(b) the term "Party A's Swap Percentage" means at any time 50 percent;

(c) the term "Party B's Allocable Share" means (1) the outstanding Regular Scheduled Payments to be made by Party B in respect of Syncora-Insured Floating Rate Certificates divided by (2) the sum of such Regular Scheduled Payments to be made by Party B and the outstanding Regular Scheduled Payments to be made by Detroit General Retirement System Service Corporation in respect of Syncora-Insured Floating Rate Certificates, in each case after giving effect to any prepayments of Regular Scheduled Payments in connection with the circumstances of the Adjustment Event; and

(d) the term "Syncora-Insured Floating Rate Certificates" means any 2006 Funding Trust 2006 Pension Funding Securities that bear interest at a floating rate and the scheduled principal of and interest on which are insured under a financial guaranty insurance policy issued by Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.).

(e) Upon an adjustment to the Notional Amount, a payment (an "Adjustment Payment") will be due and owing by one party to the other equal to the Market Quotation for this Transaction determined by Party A as if (i) a Termination Event occurred in respect of Party B, (ii) Party B was the only Affected Party with respect to such Termination Event, Party A was the party entitled to calculate the Market Quotation, and the Transaction is the Affected Transaction, (iii) the relevant Adjustment Event Date was designated as the Early Termination Date, (iv) the Notional Amount of the Transaction was an amount equal to the difference between (X) the Notional Amount and (Y) the Related Principal Amount on the Adjustment Event Date, and (v) the requirement set forth in the definition of Market Quotation that quotations be obtained from four Reference Market-makers was met by having Party A provide a single quotation, provided, however, if Party B disputes such quotation, Party A shall seek bids from Reference Market-makers consistent with the provisions of Section 6 of the Agreement. If an Adjustment Payment is a positive number, Party B will pay an amount equal to such Adjustment Payment to Party A; if an Adjustment Payment is a negative number, Party A will pay an amount equal to the absolute value of such Adjustment Payment to Party B. An Adjustment Payment shall be paid by the relevant party on the date on which the Adjustment Event occurs.

(f) Notwithstanding anything to the contrary in this Agreement, Party B will not optionally cause an Adjustment Event if, in connection with such Adjustment Event, an Adjustment Payment would be payable by Party B to Party A unless Party B provides evidence reasonably satisfactory to Party A and the Insurer that (i) such Adjustment Payment will be made by Party B on the Adjustment Event Date and (ii) such Adjustment Payment will not cause Party B to be in violation of, or in default under the documentation relating to the 2006 Pension Funding Securities.

(g) For purposes of the Transaction Transfer Agreement, an Adjustment Event pursuant to this Paragraph 6 shall not constitute an Event of Default or a Termination Event or result in the designation of an Early Termination Date with respect to this Transaction.

7. **Relationship between Parties.** Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written

Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(a) Non-Reliance. Each party is acting for its own account, and has made its own independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of this Transaction. Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

8. Risk Considerations.

Party B acknowledges receipt from Party A, at or prior to the time of Party B's final approval of the Transaction evidenced by this Revised Confirmation, of a document entitled "Risk Considerations".

9. Custodian.

At least two (2) Local Business Days prior to each Payment Date for the Transaction to which this Confirmation relates, Party A, as Calculation Agent, shall notify the Collateral Agreement Custodian of the net amount payable and the Party owing such payment as of the immediately following Payment Date.

[SIGNATURE PAGE FOLLOWS]

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Revised Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Revised Confirmation relates and indicates agreement to those terms.

Yours sincerely,

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name: John Carter
Title: President

Accepted and Confirmed as of the
date first above written:

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Revised Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Revised Confirmation relates and indicates agreement to those terms.

Yours sincerely,

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name:
Title:

Accepted and Confirmed as of the
date first above written:

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

Exhibit A

Period Start Date (From and Including)	Period End Date (Unadjusted, to and Excluding)	Outstanding Notional During Period
Effective Date	June 15, 2026	$45,252,000
June 15, 2026	June 15, 2027	32,022,500
June 15, 2027	June 15, 2028	17,969,000
June 15, 2028	Termination Date	3,040,500

EXHIBIT F

Revised Confirmation between SBS and PFRS

REVISED CONFIRMATION
(Police and Fire Retirement System/Syncora)

To: Detroit Police and Fire Retirement System Service Corporation
Detroit, Michigan
Attention: Norman L. White

Date: June 26, 2009

Our Reference No. SBSFPC-0011

The purpose of this letter agreement (the "Revised Confirmation") is to confirm the terms and conditions of the transaction (the "Transaction") entered into between us on the Trade Date specified below. This letter agreement constitutes a "Confirmation" as referred to in the Master Agreement specified below. This Revised Confirmation shall replace and supersede all previous Confirmations relating to the Transaction documented herein.

The definitions and provisions contained in the 2000 ISDA Definitions (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Revised Confirmation. In the event of any inconsistency between the Definitions and this Revised Confirmation, this Revised Confirmation will govern. Each party represents and warrants to the other that (i) it is duly authorized to enter into this Transaction and to perform its obligations hereunder, (ii) the Transaction and the performance of its obligations hereunder do not violate any material obligation of such party, and (iii) the person executing this Revised Confirmation is duly authorized to execute and deliver it.

1. This Revised Confirmation supplements, forms part of, and is subject to, the 1992 ISDA Master Agreement between us, dated May 25, 2005, as amended and supplemented from time to time (the "Agreement"). All provisions contained in the Agreement govern this Revised Confirmation except as expressly modified below.

2. The terms of the particular Transaction to which this Revised Confirmation relates are as follows:

Party A:	SBS Financial Products Company, LLC
Party B:	Detroit Police and Fire Retirement System Service Corporation
Insurer	Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.) ("Insurer")
Notional Amount:	Initially $104,325,500, thereafter amortizing as set forth on Exhibit A hereto.
Trade Date:	June 7, 2006
Effective Date:	June 12, 2006

Termination Date:	June 15, 2029, or such earlier date upon which the Agreement terminates.
Business Days	New York and London
FIXED AMOUNTS:	
Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Each March 14, June 14, September 14 and December 14, from and including September 14, 2006 up to and including the June 14, 2032, subject to adjustment in accordance with the Business Day Convention specified below.
Period End Dates:	March 15, June 15, September 15 and December 15, from and including September 15, 2006 up to and including the Termination Date, with No Adjustment.

Fixed Rate:

From and Including	**To and Excluding**	**Rate (per annum)**
Effective Date	June 15, 2007	4.991%
June 15, 2007	June 15, 2008	5.666%
June 15, 2008	July 1, 2010	6.223%
July 1, 2010	Termination Date	6.323%

Fixed Rate Day Count Fraction:	30/360
Business Day Convention:	Preceding.
FLOATING AMOUNTS:	
Floating Rate Payer:	Party A
Floating Rate Payer Payment Dates:	Each March 14, June 14, September 14 and December 14, from and including September 14, 2006 up to and including the June 14, 2032, subject to adjustment in accordance with the

	Preceding Business Day Convention.
Floating Rate Option:	USD – LIBOR – BBA.
Period End Dates:	Each March 15, June 15, September 15 and December 15, from and including September 15, 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate Day Count Fraction:	Actual/360
Designated Maturity:	Three Months, except that in respect to the initial Calculation Period, Linear Interpolation shall apply
Method of Averaging:	Inapplicable.
Spread:	0.300 percent per annum.
Reset Date:	Initially, the Effective Date and thereafter, on each March 15, June 15, September 15 and December 15, from and including the September 15, 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Compounding:	Inapplicable.

3. <u>Swap Advisor Fees</u>

Swap Advisor:	Scott Balice Strategies LLC
Swap Advisor Fee:	On behalf of Party B, a fee of USD 78,389.35 is being paid by Party A in respect of this Transaction to the Swap Advisor. Such fee is equal to the present value of 0.65 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Trade Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by Party B hereunder.
Swap Advisor Fee Payment Date:	Upon closing of the 2006 Pension Funding Securities

4. **Account Details**

Payments to Party A:
Account for payments in USD:
Favour: Deutsche Bank, NY
ABA/Bank No.: 021-001-033
Account No.: 01419647
Reference: SBS Swap
Attention: Safet Kalabovic

Payments to Party B:
ABA=U.S. BANK, Minneapolis
(091000022)
FBO=FOR FURTHER CREDIT
TO U.S. BANK, N.A.
AC=180121167365
REF: Detroit COPS GRS
Trust #: 794367002
Contact: Jill Ling 651-495-3712

5. **Optional Termination.** With the prior consent of the Insurer, Party B shall have the right to terminate this Transaction (provided that no Event of Default or Termination Event has occurred) by providing (i) at least five (5) Business Days' prior written notice to Party A of its election to terminate this Transaction and (ii) evidence reasonably satisfactory to Party A that any and all amounts owed to Party A in connection with such early termination shall be paid on the due date thereof. On the Optional Termination Date set forth in such notice, an amount, determined by Party A, shall be payable by Party A or the Party B, as the case may be, in respect of such termination. If such amount is not acceptable to Party B, then Party A shall determine such amount in accordance with Section 6 of the Agreement, assuming Market Quotation and Second Method apply and Party B is the sole Affected Party. For purposes of the Transaction Transfer Agreement by and between Party A, Party B and Merrill Lynch Capital Services, Inc., as Credit Support Provider of Party A, dated as of May 25, 2005 (the "Transaction Transfer Agreement"), any partial optional termination pursuant to this Paragraph 5 shall not constitute an Event of Default or a Termination Event or result in the designation of an Early Termination Date with respect to this Transaction.

6. **Adjustment Event** If on the Effective Date or any date thereafter (an "Adjustment Event Date") the Notional Amount of this Transaction is greater than the Related Principal Amount, an Adjustment Event shall occur and the Notional Amount shall be reduced to the extent necessary to make such Notional Amount as of the Adjustment Event Date equal to the Related Principal Amount. As used herein:

(a) the term "Related Principal Amount" means Party A's Swap Percentage of Party B's Allocable Share of the aggregate principal amount of the outstanding Syncora-Insured Floating Rate Certificates;

(b) the term "Party A's Swap Percentage" means at any time 50 percent;

(c) the term "Party B's Allocable Share" means (1) the outstanding Regular Scheduled Payments to be made by Party B in respect of Syncora-Insured Floating Rate Certificates divided by (2) the sum of such Regular Scheduled Payments to be made by Party B and the outstanding Regular Scheduled Payments to be made by Detroit Police and Fire Retirement System Service Corporation in respect of Syncora-Insured Floating Rate Certificates, in each case after giving effect to any prepayments of Regular Scheduled Payments in connection with the circumstances of the Adjustment Event; and

(d) the term "Syncora-Insured Floating Rate Certificates" means any 2006 Funding Trust 2006 Pension Funding Securities that bear interest at a floating rate and the scheduled principal of and interest on which are insured under a financial guaranty insurance policy issued by Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.).

(e) Upon an adjustment to the Notional Amount, a payment (an "Adjustment Payment") will be due and owing by one party to the other equal to the Market Quotation for this Transaction determined by Party A as if (i) a Termination Event occurred in respect of Party B, (ii) Party B was the only Affected Party with respect to such Termination Event, Party A was the party entitled to calculate the Market Quotation, and the Transaction is the Affected Transaction, (iii) the relevant Adjustment Event Date was designated as the Early Termination Date, (iv) the Notional Amount of the Transaction was an amount equal to the difference between (X) the Notional Amount and (Y) the Related Principal Amount on the Adjustment Event Date, and (v) the requirement set forth in the definition of Market Quotation that quotations be obtained from four Reference Market-makers was met by having Party A provide a single quotation, provided, however, if Party B disputes such quotation, Party A shall seek bids from Reference Market-makers consistent with the provisions of Section 6 of the Agreement. If an Adjustment Payment is a positive number, Party B will pay an amount equal to such Adjustment Payment to Party A; if an Adjustment Payment is a negative number, Party A will pay an amount equal to the absolute value of such Adjustment Payment to Party B. An Adjustment Payment shall be paid by the relevant party on the date on which the Adjustment Event occurs.

(f) Notwithstanding anything to the contrary in this Agreement, Party B will not optionally cause an Adjustment Event if, in connection with such Adjustment Event, an Adjustment Payment would be payable by Party B to Party A unless Party B provides evidence reasonably satisfactory to Party A and the Swap Insurer that (i) such Adjustment Payment will be made by Party B on the Adjustment Event Date and (ii) such Adjustment Payment will not cause Party B to be in violation of, or in default under the documentation relating to the 2006 Pension Funding Securities.

(g) For purposes of the Transaction Transfer Agreement, an Adjustment Event pursuant to this Paragraph 6 shall not constitute an Event of Default or a Termination Event or result in the designation of an Early Termination Date with respect to this Transaction.

7. **Relationship between Parties** Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(a) Non-Reliance. Each party is acting for its own account, and has made its own

independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of this Transaction. Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

8. Risk Considerations.

Party B acknowledges receipt from Party A, at or prior to the time of Party B's final approval of the Transaction evidenced by this Revised Confirmation, of a document entitled "Risk Considerations".

9. Custodian.

At least two (2) Local Business Days prior to each Payment Date for the Transaction to which this Confirmation relates, Party A, as Calculation Agent, shall notify the Collateral Agreement Custodian of the net amount payable and the Party owing such payment as of the immediately following Payment Date.

[SIGNATURE PAGE FOLLOWS]

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Revised Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Revised Confirmation relates and indicates agreement to those terms.

Yours sincerely,

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name: John Carter
Title: President

Accepted and Confirmed as of the
date first above written:

DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Revised Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Revised Confirmation relates and indicates agreement to those terms.

Yours sincerely,

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name:
Title:

Accepted and Confirmed as of the
date first above written:g

DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

Exhibit A

Period Start Date (From and Including)	Period End Date (Unadjusted, to and Excluding)	Outstanding Notional During Period
Effective Date	June 15, 2019	104,325,500
June 15, 2019	June 15, 2020	97,011,000
June 15, 2020	June 15, 2021	90,109,000
June 15, 2021	June 15, 2022	83,685,500
June 15, 2022	June 15, 2023	77,801,500
June 15, 2023	June 15, 2024	72,532,500
June 15, 2024	June 15, 2025	67,957,500
June 15, 2025	June 15, 2026	64,161,500
June 15, 2026	June 15, 2027	44,825,500
June 15, 2027	June 15, 2028	24,286,500
June 15, 2028	Termination Date	2,469,500

EXHIBIT G

Revised Confirmation between UBS and GRS

UBS

Date:	26 June 2009
To:	Detroit General Retirement System Service Corporation ("Counterparty")
Attn:	Norman L. White, President
Fax No:	313-224-4466
From:	UBS AG, Stamford Branch ("UBS AG")
Subject:	Swap Transaction UBS AG Ref: 37380291 Counterparty Ref: GRS - Syncora

Dear Mr. Short:

The purpose of this communication is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below. This Revised Confirmation constitutes a "Confirmation" as referred to in the Master Agreement or Agreement specified below. This Revised Confirmation shall replace and supersede all previous Confirmations relating to the Transaction documented herein.

UBS AG and the Counterparty have entered into a Master Agreement, dated as of 7 June 2006, which sets forth the general terms and conditions, as well as amendments, applicable to this Transaction (together with any future Schedule and any other future Confirmation, the "Agreement"). This Revised Confirmation supplements, forms part of and is subject to the Agreement. All provisions contained in, or incorporated by reference to, such Agreement shall govern this Revised Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Revised Confirmation, this Revised Confirmation will prevail for purposes of this Transaction.

The definitions contained in the 2000 ISDA Definitions (the "2000 Definitions"), (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Revised Confirmation. In the event of any inconsistency between of the definitions listed above and this Revised Confirmation, this Revised Confirmation will govern.

The terms of the particular Swap Transaction to which this Revised Confirmation relates are as follows:

General Terms

Insurer:	Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.)
Trade Date:	07 June 2006
Effective Date:	12 June 2006
Termination Date:	15 June 2029
Notional Amount:	Initially USD 45,252,000 thereafter amortizing per the Amortization Schedule below.
Calculation Agent:	UBS AG
Business Days:	New York and London

Fixed Amounts

Fixed Rate Payer:	Counterparty
Fixed Rate:	In accordance with the following schedule:

From (and including)	To (but excluding)	Fixed Rate
Effective Date	15 June 2007	4.991
15 June 2007	15 June 2008	5.666
15 June 2008	1 July 2010	6.223
1 July 2010	Termination Date	6.323

Fixed Rate Day Count Fraction:	30/360
Fixed Rate Payer Payment Dates:	Quarterly, on each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2029, subject to adjustment in accordance with the Preceding Business Day Convention.
Period End Dates:	Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention, with No Adjustment.

Floating Amounts

Floating Rate Payer:	UBS AG
Floating Rate Option:	USD-LIBOR-BBA
Designated Maturity:	Three months, except that in respect to the initial Calculation Period, Linear Interpolation shall apply
Spread:	Plus 30 Basis Points
Floating Rate Day Count Fraction:	Actual/360
Floating Rate Payer Payment Dates:	Each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2029, subject to adjustment in accordance with the Preceding Business Day Convention.
Period End Dates:	Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Reset Dates:	Initially, the Effective Date and thereafter on each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to but excluding the Termination Date, subject to adjustment in accordance with the Modified

Following Business Day Convention.

Compounding: Inapplicable

Amortization Schedule

Period From (and including)	Period To (but excluding)	Notional Amount (USD)
Effective Date	15-Jun-2025	45,252,000
15-Jun-2025	15-Jun-2026	45,252,000
15-Jun-2026	15-Jun-2027	32,022,500
15-Jun-2027	15-Jun-2028	17,969,000
15-Jun-2028	Termination Date	3,040,500

Optional Termination by Counterparty

With the prior consent of the Insurer, Counterparty shall have the right to terminate this Transaction (provided that no Event of Default or Termination Event has occurred) by providing (i) at least five (5) Business Days' prior written notice to UBS AG of its election to terminate this Transaction and (ii) evidence reasonably satisfactory to UBS AG that any and all amounts owed to UBS AG in connection with such early termination shall be paid on the due date thereof. On the Optional Termination Date set forth in such notice, an amount, determined by UBS AG, shall be payable by UBS AG or the Counterparty, as the case may be, in respect of such termination. If such amount is not acceptable to Counterparty, then UBS AG shall determine such amount in accordance with Section 6 of the Agreement, assuming Market Quotation and Second Method apply and Counterparty is the sole Affected Party.\

Adjustment Event

If on the Effective Date or any date thereafter (an "Adjustment Event Date") the Notional Amount of this Transaction is greater than the Related Principal Amount, an Adjustment Event shall occur and the Notional Amount shall be reduced to the extent necessary to make such Notional Amount as of the Adjustment Event Date equal to the Related Principal Amount. As used herein:

(a) the term "Related Principal Amount" means UBS AG's Swap Percentage of Counterparty's Allocable Share of the aggregate principal amount of the outstanding Syncora Insured Floating Rate Certificates;

(b) the term "UBS AG's Swap Percentage" means at any time 50 percent;

(c) the term "Counterparty's Allocable Share" means (1) the total Regular Scheduled Payments to be made by Counterparty in respect of Syncora Insured Floating Rate Certificates divided by (2) the total Regular Scheduled Payments to be made by Counterparty and Detroit Police and Fire Retirement System Service Corporation in respect of Syncora Insured Floating Rate Certificates, in each case after giving effect to any prepayments of Regular Scheduled Payments in connection with the circumstances of the Adjustment Event; and

(d) the term "Syncora-Insured Floating Rate Certificates" means any 2006 Funding Trust 2006 Pension Funding Securities (the "Related Certificates") that bear interest at a floating rate and the scheduled principal of and interest on which are insured under a financial guaranty insurance policy issued by Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.)

(e) Upon an adjustment to the Notional Amount, a payment (an "Adjustment Payment") will be due and owing by one party to the other equal to the Market Quotation for this Transaction determined

by UBS AG as if (i) a Termination Event occurred in respect of Counterparty, (ii) Counterparty was the only Affected Party with respect to such Termination Event, UBS AG was the party entitled to calculate the Market Quotation, and the Transaction is the Affected Transaction, (iii) the relevant Adjustment Event Date was designated as the Early Termination Date, (iv) the Notional Amount of the Transaction was an amount equal to the difference between (X) the Notional Amount and (Y) the outstanding principal amount of the Related Certificates on the Adjustment Event Date, and (v) the requirement set forth in the definition of Market Quotation that quotations be obtained from four Reference Market makers was met by having UBS AG provide a single quotation, provided, however, if Counterparty disputes such quotation, UBS AG shall seek bids from Reference Market makers consistent with the provisions of Section 6 of the Agreement. If an Adjustment Payment is a positive number, Counterparty will pay an amount equal to such Adjustment Payment to UBS AG; if an Adjustment Payment is a negative number, UBS AG will pay an amount equal to the absolute value of such Adjustment Payment to Counterparty. An Adjustment Payment shall be paid by the relevant party on the date on which the Adjustment Event occurs.

(f) Notwithstanding anything to the contrary in this Agreement, Counterparty will not optionally cause an Adjustment Event if, in connection with such Adjustment Event, an Adjustment Payment would be payable by Counterparty to UBS AG unless Counterparty provides evidence reasonably satisfactory to UBS AG and the Swap Insurer that (i) such Adjustment Payment will be made by Counterparty on the Adjustment Event Date and (ii) such Adjustment Payment will not cause Counterparty to be in violation of, or in default under the documentation relating to the Related Certificates.

Swap Advisor Fee

Swap Advisor:	Scott Balice Strategies LLC
Swap Advisor Fee:	On behalf of the Counterparty, a fee of USD 36,273.25 is being paid by UBS AG in respect of this Transaction to the Swap Advisor. Such fee is equal to the present value of 0.65 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Trade Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by the Counterparty hereunder.
Swap Advisor Fee Payment Date:	Upon closing of the Related Certificates

Relationship between Parties

Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(a) Non-Reliance. Each party is acting for its own account, and has made its own independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of this Transaction. Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

References in this clause to "a party" shall, in the case of UBS AG and where the context so allows, include references to any affiliate of UBS AG.

Risk Considerations

The Counterparty acknowledges receipt from UBS, at or prior to the time of Counterparty's final approval of the Transaction evidenced by this Revised Confirmation, of a document entitled "Risk Considerations".

Custodian

At least two (2) Local Business Days prior to each Payment Date for the Transaction to which this Confirmation relates, Party A, as Calculation Agent, shall notify the Collateral Agreement Custodian of the net amount payable and the Party owing such payment as of the immediately following Payment Date.

Account Details

UBS Account Details

Account for payments in USD:

Bank:	UBS AG, Stamford
ABA/Bank No.:	026-007-993
Account No.:	101-WA-860050-025

Counterparty Account Details

Bank:	U.S. Bank, Minneapolis
FBO:	For further credit to U.S. Bank, N.A.
ABA/Bank No.:	091000022
Account No.:	180121167365
Ref:	Detroit COPS GRS
Trust #:	789710000
Contact:	Jill Ling 651-495-3712

Offices

The office of UBS AG for the Swap Transaction is Stamford, CT; and the office of the Counterparty for the Swap Transaction is Detroit, MI.

Contact Names at UBS AG

Settlements:	Hotline:	(203) 719 1110
Confirmation Queries:	Jennifer McCandless	(212) 713 1212
ISDA Documentation:	Legal Department – Documentation:	(203) 719 6249
Swift:	UBSWUS33	
Fax:	(203) 719-5771	

Address: UBS AG
677 Washington Boulevard
Stamford, CT 06901

[Intentionally left blank. Signature page follows.]

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to **(212) 373-6491**.

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By Mari-Anne Clarke

Name : Marie-Anne Clarke
Title: Executive Director and Counsel
Region Americas Legal
Fixed Income Section

By

Name: James B. Fuqua
Title : Managing Director and Counsel
Region Americas Legal

Acknowledged and agreed by the Detroit Police and Fire Retirement System Service Corporation as of the Trade Date specified above:

By:

Name Norman L. White
Title : President

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to **(212) 373-6491.**

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By

Name :
Title:

By

Name:
Title :

Acknowledged and agreed by the Detroit General Retirement System Service Corporation as of the Trade Date specified above:

By:

Name Norman L. White
Title : President

EXHIBIT H

Revised Confirmation between UBS and PFRS

UBS

Date:	26 June 2009
To:	Detroit Police and Fire Retirement System Service Corporation ("Counterparty")
Attn:	Norman L. White, President
Fax No:	313-224-4466
From:	UBS AG, Stamford Branch ("UBS AG")
Subject:	Swap Transaction UBS AG Ref: 37380351 Counterparty Ref: PFRS - Syncora

Dear Mr. White:

The purpose of this communication is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below. This Revised Confirmation constitutes a "Confirmation" as referred to in the Master Agreement or Agreement specified below. This Revised Confirmation shall replace and supersede all previous Confirmations relating to the Transaction documented herein.

UBS AG and the Counterparty have entered into a Master Agreement, dated as of 25 May 2005, which sets forth the general terms and conditions, as well as amendments, applicable to this Transaction (together with any future Schedule and any other future Confirmation, the "Agreement"). This Revised Confirmation supplements, forms part of and is subject to the Agreement. All provisions contained in, or incorporated by reference to, such Agreement shall govern this Revised Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Revised Confirmation, this Revised Confirmation will prevail for purposes of this Transaction.

The definitions contained in the 2000 ISDA Definitions (the "2000 Definitions"), (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Revised Confirmation. In the event of any inconsistency between of the definitions listed above and this Revised Confirmation, this Revised Confirmation will govern.

The terms of the particular Swap Transaction to which this Revised Confirmation relates are as follows:

General Terms

Insurer:	Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.)
Trade Date:	07 June 2006
Effective Date:	12 June 2006
Termination Date:	15 June 2029
Notional Amount:	Initially USD 104,325,500 thereafter amortizing per the Amortization Schedule below.
Calculation Agent:	UBS AG
Business Days:	New York and London

Fixed Amounts

Fixed Rate Payer: Counterparty

Fixed Rate: In accordance with the following schedule:

From (and including)	To (but excluding)	Fixed Rate
Effective Date	15 June 2007	4.991
15 June 2007	15 June 2008	5.666
15 June 2008	1 July 2010	6.223
1 July 2010	Termination Date	6.323

Fixed Rate Day Count Fraction: 30/360

Fixed Rate Payer Payment Dates: Quarterly, on each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2029, subject to adjustment in accordance with the Preceding Business Day Convention.

Period End Dates: Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention, with No Adjustment.

Floating Amounts

Floating Rate Payer: UBS AG

Floating Rate Option: USD-LIBOR-BBA

Designated Maturity: Three months, except that in respect to the initial Calculation Period, Linear Interpolation shall apply.

Spread: Plus 30 Basis Points

Floating Rate Day Count Fraction: Actual/360

Floating Rate Payer Payment Dates: Each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2029, subject to adjustment in accordance with the Preceding Business Day Convention.

Period End Dates: Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Reset Dates: Initially, the Effective Date and thereafter on each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to but excluding the Termination Date, subject to adjustment in

accordance with the Modified Following Business Day Convention.

Compounding: Inapplicable

Amortization Schedule

Period From (and including)	Period To (but excluding)	Notional Amount (USD)
Effective Date	15-Jun-2019	104,325,500
15-Jun-2019	15-Jun-2020	97,011,000
15-Jun-2020	15-Jun-2021	90,109,000
15-Jun-2021	15-Jun-2022	83,685,500
15-Jun-2022	15-Jun-2023	77,801,500
15-Jun-2023	15-Jun-2024	72,532,500
15-Jun-2024	15-Jun-2025	67,957,500
15-Jun-2025	15-Jun-2026	64,161,500
15-Jun-2026	15-Jun-2027	44,825,500
15-Jun-2027	15-Jun-2028	24,286,500
15-Jun-2028	Termination Date	2,469,500

Optional Termination by Counterparty

With the prior consent of the Insurer, Counterparty shall have the right to terminate this Transaction (provided that no Event of Default or Termination Event has occurred) by providing (i) at least five (5) Business Days' prior written notice to UBS AG of its election to terminate this Transaction and (ii) evidence reasonably satisfactory to UBS AG that any and all amounts owed to UBS AG in connection with such early termination shall be paid on the due date thereof. On the Optional Termination Date set forth in such notice, an amount, determined by UBS AG, shall be payable by UBS AG or the Counterparty, as the case may be, in respect of such termination. If such amount is not acceptable to Counterparty, then UBS AG shall determine such amount in accordance with Section 6 of the Agreement, assuming Market Quotation and Second Method apply and Counterparty is the sole Affected Party.

Adjustment Event

If on the Effective Date or any date thereafter (an "Adjustment Event Date") the Notional Amount of this Transaction is greater than the Related Principal Amount, an Adjustment Event shall occur and the Notional Amount shall be reduced to the extent necessary to make such Notional Amount as of the Adjustment Event Date equal to the Related Principal Amount. As used herein:

(a) the term "Related Principal Amount" means UBS AG's Swap Percentage of Counterparty's Allocable Share of the aggregate principal amount of the outstanding Syncora-Insured Floating Rate Certificates;

(b) the term "UBS AG's Swap Percentage" means at any time **50 percent**;

(c) the term "Counterparty's Allocable Share" means (1) the total Scheduled Payments (as such term is defined in the PFRS Service Contract 2006 between the Detroit Police and Fire Retirement System Service Corporation and the City of Detroit) to be made by Counterparty in respect of Syncora-Insured Floating Rate Certificates divided by (2) the total Scheduled Payments to be made by Counterparty and Detroit General Retirement System Service Corporation in respect of Syncora-Insured Floating Rate Certificates, in each case after giving effect to any prepayments of Scheduled Payments in connection with the circumstances of the Adjustment Event; and

(d) the term "Syncora-Insured Floating Rate Certificates" means any Detroit Retirement System Funding Trust 2006 Taxable Certificates of Participation Series 2006-B (the "Related Certificates") that bear interest at a floating rate and the scheduled principal of and interest on which are insured under a financial guaranty insurance policy issued by Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.).

(e) Upon an adjustment to the Notional Amount, a payment (an "Adjustment Payment") will be due and owing by one party to the other equal to the Market Quotation for this Transaction determined by UBS AG as if (i) a Termination Event occurred in respect of Counterparty, (ii) Counterparty was the only Affected Party with respect to such Termination Event, UBS AG was the party entitled to calculate the Market Quotation, and the Transaction is the Affected Transaction, (iii) the relevant Adjustment Event Date was designated as the Early Termination Date, (iv) the Notional Amount of the Transaction was an amount equal to the difference between (X) the Notional Amount and (Y) the outstanding principal amount of the Related Certificates on the Adjustment Event Date, and (v) the requirement set forth in the definition of Market Quotation that quotations be obtained from four Reference Market-makers was met by having UBS AG provide a single quotation, provided, however, if Counterparty disputes such quotation, UBS AG shall seek bids from Reference Market-makers consistent with the provisions of Section 6 of the Agreement. If an Adjustment Payment is a positive number, Counterparty will pay an amount equal to such Adjustment Payment to UBS AG; if an Adjustment Payment is a negative number UBS AG will pay an amount equal to the absolute value of such Adjustment Payment' to Counterparty. An Adjustment Payment shall be paid by the relevant party on the date on which the Adjustment Event occurs.

(f) Notwithstanding anything to the contrary in this Agreement, Counterparty will not optionally cause an Adjustment Event if, in connection with such Adjustment Event, an Adjustment Payment would be payable by Counterparty to UBS AG unless Counterparty provides evidence reasonably satisfactory to UBS AG and the Swap Insurer that (i) such Adjustment Payment will be made by Counterparty on the Adjustment Event Date and (ii) such Adjustment Payment will not cause Counterparty to be in violation of, or in default under the documentation relating to the Related Certificates.

Swap Advisor Fee

Swap Advisor:	Scott Balice Strategies LLC
Swap Advisor Fee:	On behalf of the Counterparty, a fee of USD 78,389.35 is being paid by UBS AG in respect of this Transaction to the Swap Advisor. Such fee is equal to the present value of 0.65 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Trade Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by the Counterparty hereunder.
Swap Advisor Fee Payment Date:	Upon closing of the Related Certificates

Relationship between Parties

Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(a) Non-Reliance. Each party is acting for its own account, and has made its own independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms; conditions and risks of this Transaction Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

References in this clause to "a party" shall, in the case of UBS AG and where the context so allows, include references to any affiliate of UBS AG.

Risk Considerations

The Counterparty acknowledges receipt from UBS, at or prior to the time of Counterparty's final approval of the Transaction evidenced by this Revised Confirmation, of a document entitled "Risk Considerations".

Custodian

At least two (2) Local Business Days prior to each Payment Date for the Transaction to which this Confirmation relates, Party A, as Calculation Agent, shall notify the Collateral Agreement Custodian of the net amount payable and the Party owing such payment as of the immediately following Payment Date.

Account Details

UBS Account Details

Account for payments in USD:	
Bank:	UBS AG, Stamford
ABA/Bank No.:	026-007-993
Account No.:	101-WA-860050-025

Counterparty Account Details

Bank:	U.S. Bank, Minneapolis
FBO:	For further credit to U.S. Bank, N.A.
ABA/Bank No.:	091000022
Account No.:	180121167365
Ref:	Detroit COPS PFRS

Trust #:	789710000
Contact:	Jill Ling 651-495-3712

Offices

The office of UBS AG for the Swap Transaction is Stamford, CT; and the office of the Counterparty for the Swap Transaction is Detroit, MI.

Contact Names at UBS AG

Settlements:	Hotline:	(203) 719 1110
Confirmation Queries:	Jennifer McCandless	(212) 713 1212
ISDA Documentation:	Legal Department – Documentation:	(203) 719 6249
Swift:	UBSWUS33	
Fax:	(203) 719-5771	
Address:	UBS AG 677 Washington Boulevard Stamford, CT 06901	

[Intentionally left blank. Signature page follows.]

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to **(212) 373-6491**.

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By Marie-Anne Clarke

Name : Marie-Anne Clarke
Title: Executive Director and Counsel
Region Americas Legal
Fixed Income Section

By

Name: James B. Fuqua
Title : Managing Director and Counsel
Region Americas Legal

Acknowledged and agreed by the Detroit Police and Fire Retirement System Service Corporation as of the Trade Date specified above:

By:

Name Norman L. White
Title : President

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to **(212) 373-6491**.

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By

Name :
Title:

By

Name:
Title :

Acknowledged and agreed by the Detroit Police and Fire Retirement System Service Corporation as of the Trade Date specified above:

By:

Name Norman L. White
Title : President

EXHIBIT I

WAIVER AND CONSENT OF INSURER

June 26, 2009

Reference is hereby made to (i) that certain ISDA Master Agreement (including the Schedule as amended and restated as of June 26, 2009) and any annexes thereto and the Confirmation as revised as of June 26, 2009), dated as of May 25, 2005, between SBS Financial Products Company, LLC ("SBS") and Detroit General Retirement System Service Corporation ("GRS"); (ii) that certain ISDA Master Agreement (including the Schedule as amended and restated as of June 26, 2009 and the Confirmation as revised as of June 26, 2009) and any annexes thereto), dated as of May 25, 2005, between SBS and Detroit Police and Fire Retirement System Service Corporation ("PFRS" and, together with GRS, the "Service Corporations"); (iii) that certain ISDA Master Agreement (including the Schedule as amended and restated as of June 26, 2009 and the Confirmation as revised as of June 26, 2009) and any annexes thereto), dated as of May 25, 2005, between UBS AG ("UBS" and, together with SBS, the "Swap Counterparties") and GRS; (iv) that certain ISDA Master Agreement (including the Schedule as amended and restated as of June 26, 2009 and the Confirmation as revised as of June 26, 2009) and any annexes thereto), dated as of May 25, 2005, between UBS and PFRS, in each case, with Financial Guaranty Insurance Company (the "Swap Insurer") as insurer of certain of the obligations of the Service Corporations (collectively, the "Swap Agreements"); (v) that certain Detroit General Retirement System Service Contract as amended as of June 26, 2009 (the "GRS Service Contract"), originally entered into on June 7, 2006, between The City of Detroit (the "City") and GRS; and (vi) that certain Detroit Police and Fire Retirement System Service Contract as amended as of June 26, 2009 (the "SBS Service Contract" and together with the GRS Service Contract, the "Service Contracts"), originally entered into on June 7, 2006, between the City and SBS. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Swap Agreements.

The Service Corporations and the Swap Counterparties have engaged in negotiations relating to the occurrence of an Additional Termination Event (the "Relevant Event"), as set forth, prior to the Amendment Effective Date, in Part 5(ii)(b)(Z) (with respect to the Swap Agreements to which UBS is party) and Part 5(b)(ii)(3) (with respect to the Swap Agreements to which SBS is party) of the Schedules to the Swap Agreements. As a result of these negotiations, the Swap Counterparties have agreed, among other things, to (i) amend the terms of each of the Swap Agreements, as reflected in the Schedules thereto, as amended and restated as of the Amendment Effective Date (together, the "Amended and Restated Schedules") and (ii) cause the terms of each of the Service Contracts to be amended. For purposes of this Waiver and Consent, "Amendment Effective Date" means June 26, 2009.

The Swap Insurer hereby (i) waives its right to declare an Early Termination Date, and hereby rescinds any previously declared notice of Termination Event and/or designation of Early Termination Date, in connection with the Relevant Event under each of the Swap Agreements; (ii) consents to the amendment of the Swap Agreements, as reflected in the Amended and Restated Schedules attached hereto as Exhibits A through D and the Revised Confirmations attached hereto as Exhibits E through H; and (iii) consents to the amendment of the Service Contracts attached hereto as Exhibits I and J.

After giving effect to this Waiver and Consent, the obligations of the Swap Insurer under the Swap Insurance Policy as endorsed on the date hereof are in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned hereto has caused this Waiver and Consent to be duly executed as of the date first written above.

FINANCIAL GUARANTY INSURANCE COMPANY

By: _____
Name: Thea Okin
Title: Authorized Representative

EXHIBIT E

Revised Confirmation between SBS and GRS

REVISED CONFIRMATION
(General Retirement System/FGIC)

To: Detroit General Retirement System Service Corporation
Detroit, Michigan
Attention: Norman L. White

Date: June 26, 2009

Our Reference No. SBSFPC-0009

The purpose of this letter agreement (the "Revised Confirmation") is to confirm the terms and conditions of the transaction (the "Transaction") entered into between us on the Trade Date specified below. This letter agreement constitutes a "Confirmation" as referred to in the Master Agreement specified below. This Revised Confirmation shall replace and supersede all previous Confirmations relating to the Transaction documented herein.

The definitions and provisions contained in the 2000 ISDA Definitions (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Revised Confirmation. In the event of any inconsistency between the Definitions and this Revised Confirmation, this Revised Confirmation will govern. Each party represents and warrants to the other that (i) it is duly authorized to enter into this Transaction and to perform its obligations hereunder, (ii) the Transaction and the performance of its obligations hereunder do not violate any material obligation of such party, and (iii) the person executing this Revised Confirmation is duly authorized to execute and deliver it.

1. This Revised Confirmation supplements, forms part of, and is subject to, the 1992 ISDA Master Agreement between us, dated May 25, 2005, as amended and supplemented from time to time (the "Agreement"). All provisions contained in the Agreement govern this Revised Confirmation except as expressly modified below.

2. The terms of the particular Transaction to which this Revised Confirmation relates are as follows:

Party A:	SBS Financial Products Company, LLC
Party B:	Detroit General Retirement System Service Corporation
Insurer	Financial Guaranty Insurance Company ("Insurer")
Notional Amount:	Initially $96,621,000, thereafter amortizing as set forth on Exhibit A hereto.
Trade Date:	June 7, 2006
Effective Date:	June 12, 2006

Termination Date:	June 15, 2034, or such earlier date upon which the Agreement terminates.
Business Days	New York and London
FIXED AMOUNTS:	
Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Each March 14, June 14, September 14 and December 14, from and including September 14, 2006 up to and including the June 14, 2032, subject to adjustment in accordance with the Business Day Convention specified below.
Period End Dates:	March 15, June 15, September 15 and December 15, from and including September 15, 2006 up to and including the Termination Date, with No Adjustment.
Fixed Rate:	In accordance with the following schedule:

From and Including	**To and Excluding**	**Rate (per annum)**
Effective Date	June 15, 2007	4.991%
June 15, 2007	June 15, 2008	5.666%
June 15, 2008	July 1, 2010	6.256%
July 1, 2010	Termination Date	6.356%

Fixed Rate Day Count Fraction:	30/360
Business Day Convention:	Preceding.
FLOATING AMOUNTS:	
Floating Rate Payer:	Party A
Floating Rate Payer Payment Dates:	Each March 14, June 14, September 14 and December 14, from and including September 14,

	2006 up to and including the June 14, 2032, subject to adjustment in accordance with the Preceding Business Day Convention.
Floating Rate Option:	USD – LIBOR – BBA.
Period End Dates:	Each March 15, June 15, September 15 and December 15, from and including September 15, 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate Day Count Fraction:	Actual/360
Designated Maturity:	Three Months, except that in respect to the initial Calculation Period, Linear Interpolation shall apply
Method of Averaging:	Inapplicable.
Spread:	0.340 percent per annum.
Reset Date:	Initially, the Effective Date and thereafter, on each March 15, June 15, September 15 and December 15, from and including the September 15, 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Compounding:	Inapplicable.

3. **Swap Advisor Fees**

Swap Advisor:	Scott Balice Strategies LLC
Swap Advisor Fee:	On behalf of Party B, a fee of USD 84,631.30 is being paid by Party A in respect of this Transaction to the Swap Advisor. Such fee is equal to the present value of 0.65 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Trade Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by Party B hereunder.

Swap Advisor Fee Payment Date:	Upon closing of the 2006 Pension Funding Securities

4. **Account Details**

Payments to Party A:
Account for payments in USD:
Favour: Deutsche Bank, NY
ABA/Bank No.: 021-001-033
Account No.: 01419647
Reference: SBS Swap
Attention: Safet Kalabovic

Payments to Party B:
ABA=U.S. BANK, Minneapolis
(091000022)
FBO=FOR FURTHER CREDIT
TO U.S. BANK, N.A.
AC=180121167365
REF: Detroit COPS GRS
Trust #: 794367001
Contact: Jill Ling 651-495-3712

5. **Optional Termination.** With the prior consent of the Insurer, Party B shall have the right to terminate this Transaction (provided that no Event of Default or Termination Event has occurred) by providing (i) at least five (5) Business Days' prior written notice to Party A of its election to terminate this Transaction and (ii) evidence reasonably satisfactory to Party A that any and all amounts owed to Party A in connection with such early termination shall be paid on the due date thereof. On the Optional Termination Date set forth in such notice, an amount, determined by Party A, shall be payable by Party A or the Party B, as the case may be, in respect of such termination. If such amount is not acceptable to Party B, then Party A shall determine such amount in accordance with Section 6 of the Agreement, assuming Market Quotation and Second Method apply and Party B is the sole Affected Party. For purposes of the Transaction Transfer Agreement by and between Party A, Party B and Merrill Lynch Capital Services, Inc., as Credit Support Provider of Party A, dated as of May 25, 2005 (the "Transaction Transfer Agreement"), any partial optional termination pursuant to this Paragraph 5 shall not constitute an Event of Default or a Termination Event or result in the designation of an Early Termination Date with respect to this Transaction.

6. **Adjustment Event** If on the Effective Date or any date thereafter (an "Adjustment Event Date") the Notional Amount of this Transaction is greater than the Related Principal Amount, an Adjustment Event shall occur and the Notional Amount shall be reduced to the extent necessary to make such Notional Amount as of the Adjustment Event Date equal to the Related Principal Amount. As used herein:

(a) the term "Related Principal Amount" means Party A's Swap Percentage of Party B's Allocable Share of the aggregate principal amount of the outstanding FGIC-Insured Floating Rate Certificates;

(b) the term "Party A's Swap Percentage" means at any time 50 percent;

(c) the term "Party B's Allocable Share" means (1) the outstanding Regular Scheduled Payments to be made by Party B in respect of FGIC-Insured Floating Rate Certificates divided by (2) the sum of such Regular Scheduled Payments to be made by Party B and the outstanding Regular Scheduled Payments to be made by Detroit General Retirement System Service Corporation in respect of FGIC-Insured Floating Rate Certificates, in each case after giving effect to any prepayments of Regular Scheduled Payments in connection with the circumstances of the Adjustment Event; and

(d) the term "FGIC-Insured Floating Rate Certificates" means any 2006 Funding Trust 2006 Pension Funding Securities that bear interest at a floating rate and the scheduled principal of and interest on which are insured under a financial guaranty insurance policy issued by Financial Guaranty Insurance Company.

(e) Upon an adjustment to the Notional Amount, a payment (an "Adjustment Payment") will be due and owing by one party to the other equal to the Market Quotation for this Transaction determined by Party A as if (i) a Termination Event occurred in respect of Party B, (ii) Party B was the only Affected Party with respect to such Termination Event, Party A was the party entitled to calculate the Market Quotation, and the Transaction is the Affected Transaction, (iii) the relevant Adjustment Event Date was designated as the Early Termination Date, (iv) the Notional Amount of the Transaction was an amount equal to the difference between (X) the Notional Amount and (Y) the Related Principal Amount on the Adjustment Event Date, and (v) the requirement set forth in the definition of Market Quotation that quotations be obtained from four Reference Market-makers was met by having Party A provide a single quotation, provided, however, if Party B disputes such quotation, Party A shall seek bids from Reference Market-makers consistent with the provisions of Section 6 of the Agreement. If an Adjustment Payment is a positive number, Party B will pay an amount equal to such Adjustment Payment to Party A; if an Adjustment Payment is a negative number, Party A will pay an amount equal to the absolute value of such Adjustment Payment to Party B. An Adjustment Payment shall be paid by the relevant party on the date on which the Adjustment Event occurs.

(f) Notwithstanding anything to the contrary in this Agreement, Party B will not optionally cause an Adjustment Event if, in connection with such Adjustment Event, an Adjustment Payment would be payable by Party B to Party A unless Party B provides evidence reasonably satisfactory to Party A and the Swap Insurer that (i) such Adjustment Payment will be made by Party B on the Adjustment Event Date and (ii) such Adjustment Payment will not cause Party B to be in violation of, or in default under the documentation relating to the 2006 Pension Funding Securities (as defined below).

(g) For purposes of the Transaction Transfer Agreement, an Adjustment Event pursuant to this Paragraph 6 shall not constitute an Event of Default or a Termination Event or result in the designation of an Early Termination Date with respect to this Transaction.

7. **Relationship between Parties** Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written

Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(a) Non-Reliance. Each party is acting for its own account, and has made its own independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of this Transaction. Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

8. Agreement to Deliver Documents

For the purpose of Sections 3(d) and 4(a) of the Agreement and in addition to the documents to be delivered pursuant to Part 2 of the Schedule, each party agrees to deliver the following documents:

9. Risk Considerations.

Party B acknowledges receipt from Party A, at or prior to the time of Party B's final approval of the Transaction evidenced by this Revised Confirmation, of a document entitled "Risk Considerations".

10. Custodian.

At least two (2) Local Business Days prior to each Payment Date for the Transaction to which this Confirmation relates, Party A, as Calculation Agent, shall notify the Collateral Agreement Custodian of the net amount payable and the Party owing such payment as of the immediately following Payment Date.

[SIGNATURE PAGE FOLLOWS]

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Revised Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Revised Confirmation relates and indicates agreement to those terms.

Yours sincerely,

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name: John Carter
Title: President

Accepted and Confirmed as of the
date first above written:

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Revised Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Revised Confirmation relates and indicates agreement to those terms.

Yours sincerely,

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name:
Title:

Accepted and Confirmed as of the
date first above written:

DETROIT GENERAL RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

Exhibit A

Period Start Date (From and Including)	Period End Date (Unadjusted, to and Excluding)	Outstanding Notional During Period
Effective Date	June 15, 2029	96,621,000
June 15, 2029	June 15, 2030	83,804,000
June 15, 2030	June 15, 2031	66,954,500
June 15, 2031	June 15, 2032	49,049,500
June 15, 2032	June 15, 2033	30,023,500
June 15, 2033	Termination Date	9,806,000

EXHIBIT F

Revised Confirmation between SBS and PFRS

REVISED CONFIRMATION
(Police and Fire Retirement System/FGIC)

To: Detroit Police and Fire Retirement System Service Corporation
Detroit, Michigan
Attention: Norman L. White

Date: June 26, 2009

Our Reference No. SBSFPC-0010

The purpose of this letter agreement (the "Revised Confirmation") is to confirm the terms and conditions of the transaction (the "Transaction") entered into between us on the Trade Date specified below. This letter agreement constitutes a "Confirmation" as referred to in the Master Agreement specified below. This Revised Confirmation shall replace and supersede all previous Confirmations relating to the Transaction documented herein.

The definitions and provisions contained in the 2000 ISDA Definitions (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Revised Confirmation. In the event of any inconsistency between the Definitions and this Revised Confirmation, this Revised Confirmation will govern. Each party represents and warrants to the other that (i) it is duly authorized to enter into this Transaction and to perform its obligations hereunder, (ii) the Transaction and the performance of its obligations hereunder do not violate any material obligation of such party, and (iii) the person executing this Revised Confirmation is duly authorized to execute and deliver it.

1. This Revised Confirmation supplements, forms part of, and is subject to, the 1992 ISDA Master Agreement between us, dated May 25, 2005, as amended and supplemented from time to time (the "Agreement"). All provisions contained in the Agreement govern this Revised Confirmation except as expressly modified below.

2. The terms of the particular Transaction to which this Revised Confirmation relates are as follows:

Party A:	SBS Financial Products Company, LLC
Party B:	Detroit Police and Fire Retirement System Service Corporation
Insurer	Financial Guaranty Insurance Company ("Insurer")
Notional Amount:	Initially $153,801,500 thereafter amortizing as set forth on Exhibit A hereto.
Trade Date:	June 7, 2006
Effective Date:	June 12, 2006

Termination Date:	June 15, 2034, or such earlier date upon which the Agreement terminates.
Business Days	New York and London
FIXED AMOUNTS:	
Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Dates:	Each March 14, June 14, September 14 and December 14, from and including September 14, 2006 up to and including the June 14, 2032, subject to adjustment in accordance with the Business Day Convention specified below.
Period End Dates:	March 15, June 15, September 15 and December 15, from and including September 15, 2006 up to and including the Termination Date, with No Adjustment.

Fixed Rate:

From and Including	**To and Excluding**	**Rate (per annum)**
Effective Date	June 15, 2007	4.991%
June 15, 2007	June 15, 2008	5.666%
June 15, 2008	July 1, 2010	6.252%
July 1, 2010	Termination Date	6.352%

Fixed Rate Day Count Fraction:	30/360
Business Day Convention:	Preceding.
FLOATING AMOUNTS:	
Floating Rate Payer:	Party A
Floating Rate Payer Payment Dates:	Each March 14, June 14, September 14 and December 14, from and including September 14, 2006 up to and including the June 14, 2032, subject to adjustment in accordance with the

	Preceding Business Day Convention.
Floating Rate Option:	USD – LIBOR – BBA.
Period End Dates:	Each March 15, June 15, September 15 and December 15, from and including September 15, 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate Day Count Fraction:	Actual/360
Designated Maturity:	Three Months, except that in respect to the initial Calculation Period, Linear Interpolation shall apply
Method of Averaging:	Inapplicable.
Spread:	0.340% percent per annum.
Reset Date:	Initially, the Effective Date and thereafter, on each March 15, June 15, September 15 and December 15, from and including the September 15, 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Compounding:	Inapplicable.

3. Swap Advisor Fees

Swap Advisor:	Scott Balice Strategies LLC
Swap Advisor Fee:	On behalf of Party B, a fee of USD 135,029.05 is being paid by Party A in respect of this Transaction to the Swap Advisor. Such fee is equal to the present value of 0.65 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Trade Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by Party B hereunder.
Swap Advisor Fee Payment Date:	Upon closing of the 2006 Pension Funding Securities

4. **Account Details**

Payments to Party A:
Account for payments in USD:
Favour: Deutsche Bank, NY
ABA/Bank No.: 021-001-033
Account No.: 01419647
Reference: SBS Swap
Attention: Safet Kalabovic

Payments to Party B:
ABA=U.S. BANK, Minneapolis
(091000022)
FBO=FOR FURTHER CREDIT
TO U.S. BANK, N.A.
AC=180121167365
REF: Detroit COPS GRS
Trust #: 794367002
Contact: Jill Ling 651-495-3712

5. **Optional Termination.** With the prior consent of the Insurer, Party B shall have the right to terminate this Transaction (provided that no Event of Default or Termination Event has occurred) by providing (i) at least five (5) Business Days' prior written notice to Party A of its election to terminate this Transaction and (ii) evidence reasonably satisfactory to Party A that any and all amounts owed to Party A in connection with such early termination shall be paid on the due date thereof. On the Optional Termination Date set forth in such notice, an amount, determined by Party A, shall be payable by Party A or the Party B, as the case may be, in respect of such termination. If such amount is not acceptable to Party B, then Party A shall determine such amount in accordance with Section 6 of the Agreement, assuming Market Quotation and Second Method apply and Party B is the sole Affected Party. For purposes of the Transaction Transfer Agreement by and between Party A, Party B and Merrill Lynch Capital Services, Inc., as the Credit Support Provider of Party A, dated as of May 25, 2005 (the "Transaction Transfer Agreement"), any partial optional termination pursuant to this Paragraph 5 shall not constitute an Event of Default or a Termination Event or result in the designation of an Early Termination Date with respect to this Transaction.

6. **Adjustment Event** If on the Effective Date or any date thereafter (an "Adjustment Event Date") the Notional Amount of this Transaction is greater than the Related Principal Amount, an Adjustment Event shall occur and the Notional Amount shall be reduced to the extent necessary to make such Notional Amount as of the Adjustment Event Date equal to the Related Principal Amount. As used herein:

(a) the term "Related Principal Amount" means Party A's Swap Percentage of Party B's Allocable Share of the aggregate principal amount of the outstanding FGIC-Insured Floating Rate Certificates;

(b) the term "Party A's Swap Percentage" means at any time 50 percent;

(c) the term "Party B's Allocable Share" means (1) the outstanding Regular Scheduled Payments to be made by Party B in respect of FGIC-Insured Floating Rate Certificates divided by (2) the sum of such Regular Scheduled Payments to be made by Party B and the outstanding Regular Scheduled Payments to be made by Detroit Police and Fire Retirement System Service Corporation in respect of FGIC-Insured Floating Rate Certificates, in each case after giving effect to any prepayments of Regular Scheduled Payments in connection with the circumstances of the Adjustment Event; and

(d) the term "FGIC-Insured Floating Rate Certificates" means any 2006 Funding Trust 2006 Pension Funding Securities that bear interest at a floating rate and the scheduled principal of and interest on which are insured under a financial guaranty insurance policy issued by Financial Guaranty Insurance Company.

(e) Upon an adjustment to the Notional Amount, a payment (an "Adjustment Payment") will be due and owing by one party to the other equal to the Market Quotation for this Transaction determined by Party A as if (i) a Termination Event occurred in respect of Party B, (ii) Party B was the only Affected Party with respect to such Termination Event, Party A was the party entitled to calculate the Market Quotation, and the Transaction is the Affected Transaction, (iii) the relevant Adjustment Event Date was designated as the Early Termination Date, (iv) the Notional Amount of the Transaction was an amount equal to the difference between (X) the Notional Amount and (Y) the Related Principal Amount on the Adjustment Event Date, and (v) the requirement set forth in the definition of Market Quotation that quotations be obtained from four Reference Market-makers was met by having Party A provide a single quotation, provided, however, if Party B disputes such quotation, Party A shall seek bids from Reference Market-makers consistent with the provisions of Section 6 of the Agreement. If an Adjustment Payment is a positive number, Party B will pay an amount equal to such Adjustment Payment to Party A; if an Adjustment Payment is a negative number, Party A will pay an amount equal to the absolute value of such Adjustment Payment to Party B. An Adjustment Payment shall be paid by the relevant party on the date on which the Adjustment Event occurs.

(f) Notwithstanding anything to the contrary in this Agreement, Party B will not optionally cause an Adjustment Event if, in connection with such Adjustment Event, an Adjustment Payment would be payable by Party B to Party A unless Party B provides evidence reasonably satisfactory to Party A and the Swap Insurer that (i) such Adjustment Payment will be made by Party B on the Adjustment Event Date and (ii) such Adjustment Payment will not cause Party B to be in violation of, or in default under the documentation relating to the 2006 Pension Funding Securities (as defined below).

(g) For purposes of the Transaction Transfer Agreement, an Adjustment Event pursuant to this Paragraph 6 shall not constitute an Event of Default or a Termination Event or result in the designation of an Early Termination Date with respect to this Transaction.

7. **Relationship between Parties** Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(a) Non-Reliance. Each party is acting for its own account, and has made its own

independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of this Transaction. Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

8. Risk Considerations.

Party B acknowledges receipt from Party A, at or prior to the time of Party B's final approval of the Transaction evidenced by this Revised Confirmation, of a document entitled "Risk Considerations".

9. Custodian.

At least two (2) Local Business Days prior to each Payment Date for the Transaction to which this Confirmation relates, Party A, as Calculation Agent, shall notify the Collateral Agreement Custodian of the net amount payable and the Party owing such payment as of the immediately following Payment Date.

[SIGNATURE PAGE FOLLOWS]

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Revised Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Revised Confirmation relates and indicates agreement to those terms.

Yours sincerely,

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name: John Carter
Title: President

Accepted and Confirmed as of the
date first above written:

DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Revised Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Revised Confirmation relates and indicates agreement to those terms.

Yours sincerely,

SBS FINANCIAL PRODUCTS COMPANY, LLC, a Delaware limited liability company

By:_____
Name:
Title:

Accepted and Confirmed as of the
date first above written:

DETROIT POLICE AND FIRE RETIREMENT SYSTEM SERVICE CORPORATION

By:_____
Name: Norman L. White
Title: President

Exhibit A

Period Start Date (From and Including)	Period End Date (Unadjusted, to and Excluding)	Outstanding Notional During Period
Effective Date	June 15, 2029	153,801,500
June 15, 2029	June 15, 2030	133,095,500
June 15, 2030	June 15, 2031	108,470,000
June 15, 2031	June 15, 2032	82,303,000
June 15, 2032	June 15, 2033	54,497,000
June 15, 2033	Termination Date	24,950,000

EXHIBIT G

Revised Confirmation between UBS and GRS

UBS

Date:	26 June 2009
To:	Detroit General Retirement System Service Corporation ("Counterparty")
Attn:	Norman L. White, President
Fax No:	313-224-4466
From:	UBS AG, Stamford Branch ("UBS AG")
Subject:	Swap Transaction UBS AG Ref: 37380341 Counterparty Ref: GRS - FGIC

Dear Mr. White:

The purpose of this communication is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below. This Revised Confirmation constitutes a "Confirmation" as referred to in the Master Agreement or Agreement specified below. This Revised Confirmation shall replace and supersede all previous Confirmations relating to the Transaction documented herein.

UBS AG and the Counterparty have entered into a Master Agreement, dated as of 25 May 2005, which sets forth the general terms and conditions, as well as amendments, applicable to this Transaction (together with any future Schedule and any other future Confirmation, the "Agreement"). This Revised Confirmation supplements, forms part of and is subject to the Agreement. All provisions contained in, or incorporated by reference to, such Agreement shall govern this Revised Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Revised Confirmation, this Revised Confirmation will prevail for purposes of this Transaction.

The definitions contained in the 2000 ISDA Definitions (the "2000 Definitions"), (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Revised Confirmation. In the event of any inconsistency between of the definitions listed above and this Revised Confirmation, this Revised Confirmation will govern.

The terms of the particular Swap Transaction to which this Revised Confirmation relates are as follows:

General Terms

Insurer:	Financial Guaranty Insurance Company
Trade Date:	07 June 2006
Effective Date:	12 June 2006
Termination Date:	15 June 2034
Notional Amount:	Initially USD 96,621,000 thereafter amortizing per the Amortization Schedule below.
Calculation Agent:	UBS AG
Business Days:	New York and London

Fixed Amounts

Fixed Rate Payer:	Counterparty
Fixed Rate:	In accordance with the following schedule:

From (and including)	To (but excluding)	Fixed Rate
Effective Date	15 June 2007	4.991
15 June 2007	15 June 2008	5.666
15 June 2008	1 July 2010	6.256
1 July 2010	Termination Date	6.356

Fixed Rate Day Count Fraction:	30/360
Fixed Rate Payer Payment Dates:	Quarterly, on each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2034, subject to adjustment in accordance with the Preceding Business Day Convention.
Period End Dates:	Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention, with No Adjustment.

Floating Amounts

Floating Rate Payer:	UBS AG
Floating Rate Option:	USD-LIBOR-BBA
Designated Maturity:	Three months, except that in respect to the initial Calculation Period, Linear Interpolation shall apply
Spread:	Plus 34 Basis Points
Floating Rate Day Count Fraction:	Actual/360
Floating Rate Payer Payment Dates:	Each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2034, subject to adjustment in accordance with the Preceding Business Day Convention.
Period End Dates:	Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Reset Dates:	Initially, the Effective Date and thereafter on each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to but excluding the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Compounding: Inapplicable

Amortization Schedule

Period From (and including)	Period To (but excluding)	Notional Amount (USD)
Effective Date	15-Jun-2029	96,621,000
15-Jun-2029	15-Jun-2030	83,804,000
15-Jun-2030	15-Jun-2031	66,954,500
15-Jun-2031	15-Jun-2032	49,049,500
15-Jun-2032	15-Jun-2033	30,023,500
15-Jun-2033	Termination Date	9,806,000

Optional Termination by Counterparty

With the prior consent of the Insurer, Counterparty shall have the right to terminate this Transaction (provided that no Event of Default or Termination Event has occurred) by providing (i) at least five (5) Business Days' prior written notice to UBS AG of its election to terminate this Transaction and (ii) evidence reasonably satisfactory to UBS AG that any and all amounts owed to UBS AG in connection with such early termination shall be paid on the due date thereof. On the Optional Termination Date set forth in such notice, an amount, determined by UBS AG, shall be payable by UBS AG or the Counterparty, as the case may be, in respect of such termination. If such amount is not acceptable to Counterparty, then UBS AG shall determine such amount in accordance with Section 6 of the Agreement, assuming Market Quotation and Second Method apply and Counterparty is the sole Affected Party.

Adjustment Event

If on the Effective Date or any date thereafter (an "Adjustment Event Date") the Notional Amount of this Transaction is greater than the Related Principal Amount, an Adjustment Event shall occur and the Notional Amount shall be reduced to the extent necessary to make such Notional Amount as of the Adjustment Event Date equal to the Related Principal Amount. As used herein:

(a) the term "Related Principal Amount" means UBS AG's Swap Percentage of Counterparty's Allocable Share of the aggregate principal amount of the outstanding FGIC-insured Floating Rate Certificates;

(b) the term "UBS AG's Swap Percentage" means at any time **50 percent;**

(c) the term "Counterparty's Allocable Share" means (1) the total Regular Scheduled Payments to be made by Counterparty in respect of FGIC-Insured Floating Rate Certificates divided by (2) the total Regular Scheduled Payments to be made by Counterparty and Detroit Police and Fire Retirement System Service Corporation in respect of FGIC-Insured Floating Rate Certificates, in each case after giving effect to any prepayments of Regular Scheduled Payments in connection with the circumstances of the Adjustment Event; and

(d) the term "FGIC-Insured Floating Rate Certificates" means any 2006 Funding Trust 2006 Pension Funding Securities (the "Related Certificates") that bear interest at a floating rate and the scheduled principal of and interest on which are insured under a financial guaranty insurance policy issued by Financial Guaranty Insurance Company.

(e) Upon an adjustment to the Notional Amount, a payment (an "Adjustment Payment") will be due and owing by one party to the other equal to the Market Quotation for this Transaction determined

by UBS AG as if (i) a Termination Event occurred in respect of Counterparty, (ii) Counterparty was the only Affected Party with respect to such Termination Event, UBS AG was the party entitled to calculate the Market Quotation, and the Transaction is the Affected Transaction, (iii) the relevant Adjustment Event Date was designated as the Early Termination Date, (iv) the Notional Amount of the Transaction was an amount equal to the difference between (X) the Notional Amount and (Y) the outstanding principal amount of the Related Certificates on the Adjustment Event Date, and (v) the requirement set forth in the definition of Market Quotation that quotations be obtained from four Reference Market-makers was met by having UBS AG provide a single quotation, provided, however, if Counterparty disputes such quotation, UBS AG shall seek bids from Reference Market-makers consistent with the provisions of Section 6 of the Agreement. If an Adjustment Payment is a positive number, Counterparty will pay an amount equal to such Adjustment Payment to UBS AG; if an Adjustment Payment is a negative number, UBS AG will pay an amount equal to the absolute value of such Adjustment Payment to Counterparty. An Adjustment Payment shall be paid by the relevant party on the date on which the Adjustment Event occurs.

(f) Notwithstanding anything to the contrary in this Agreement, Counterparty will not optionally cause an Adjustment Event if, in connection with such Adjustment Event, an Adjustment Payment would be payable by Counterparty to UBS AG unless Counterparty provides evidence reasonably satisfactory to UBS AG and the Swap Insurer that (i) such Adjustment Payment will be made by Counterparty on the Adjustment Event Date and (ii) such Adjustment Payment will not cause Counterparty to be in violation of, or in default under the documentation relating to the Related Certificates.

Swap Advisor Fee

Swap Advisor:	Scott Balice Strategies LLC
Swap Advisor Fee:	On behalf of the Counterparty, a fee of USD 84,696.30 is being paid by UBS AG in respect of this Transaction to the Swap Advisor. Such fee is equal to the present value of 0.65 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Trade Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by the Counterparty hereunder.
Swap Advisor Fee Payment Date:	Upon closing of the Related Certificates

Relationship between Parties

Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(a) Non-Reliance. Each party is acting for its own account, and has made its own independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or

oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of this Transaction. Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

References in this clause to "a party" shall, in the case of UBS AG and where the context so allows, include references to any affiliate of UBS AG.

Risk Considerations

The Counterparty acknowledges receipt from UBS, at or prior to the time of Counterparty's final approval of the Transaction evidenced by this Revised Confirmation, of a document entitled "Risk Considerations".

Custodian

At least two (2) Local Business Days prior to each Payment Date for the Transaction to which this Confirmation relates, Party A, as Calculation Agent, shall notify the Collateral Agreement Custodian of the net amount payable and the Party owing such payment as of the immediately following Payment Date.

Account Details

UBS Account Details

Account for payments in USD:

Bank:	UBS AG, Stamford
ABA/Bank No.:	026-007-993
Account No.:	101-WA-860050-025

Counterparty Account Details

Bank:	U.S. Bank, Minneapolis
FBO:	For further credit to U.S. Bank, N.A.
ABA/Bank No.:	091000022
Account No.:	180121167365
Ref:	Detroit COPS GRS
Trust #:	789710000
Contact:	Jill Ling 651-495-3712

Offices

The office of UBS AG for the Swap Transaction is Stamford, CT; and the office of the Counterparty for the Swap Transaction is Detroit, MI.

Contact Names at UBS AG

Settlements:	Hotline:	(203) 719 1110
Confirmation Queries:	Jennifer McCandless	(212) 713 1212

ISDA Documentation:	Legal Department – Documentation:	(203) 719 6249
Swift:	UBSWUS33	
Fax:	(203) 719-5771	
Address:	UBS AG 677 Washington Boulevard Stamford, CT 06901	

[Intentionally left blank. Signature page follows.]

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to **(212) 373-6491**.

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By Marie-Anne Clarke By

Name: Marie-Anne Clarke
Title: Executive Director and Counsel
Region Americas Legal
Fixed Income Section

Name: James B. Fuqua
Title: Managing Director and Counsel
Region Americas Legal

Acknowledged and agreed by the Detroit General Retirement System Service Corporation as of the Trade Date specified above:

By:

Name: Norman L. White
Title: President

UBS AG Ref 37380341
C/P Ref: GRS -FGIC

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to **(212) 373-6491**.

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By

Name:
Title:

By

Name:
Title:

Acknowledged and agreed by the Detroit General Retirement System Service Corporation as of the Trade Date specified above:

By:

Name: Norman L. White
Title: President

EXHIBIT H

Revised Confirmation between UBS and PFRS

UBS

Date:	26 June 2009
To:	Detroit Police and Fire Retirement System Service Corporation ("Counterparty")
Attn:	Norman L. White, President
Fax No:	313-224-4466
From:	UBS AG, Stamford Branch ("UBS AG")
Subject:	Swap Transaction UBS AG Ref: 37380313 Counterparty Ref: PFRS – FGIC

Dear Mr. White:

The purpose of this communication is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below. This Revised Confirmation constitutes a "Confirmation" as referred to in the Master Agreement or Agreement specified below. This Revised Confirmation shall replace and supersede all previous Confirmations relating to the Transaction documented herein.

UBS AG and the Counterparty have entered into a Master Agreement, dated as of 25 May 2005, which sets forth the general terms and conditions, as well as amendments, applicable to this Transaction (together with any future Schedule and any other future Confirmation, the "Agreement"). This Revised Confirmation supplements, forms part of and is subject to the Agreement. All provisions contained in, or incorporated by reference to, such Agreement shall govern this Revised Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Revised Confirmation, this Revised Confirmation will prevail for purposes of this Transaction.

The definitions contained in the 2000 ISDA Definitions (the "2000 Definitions"), (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Revised Confirmation. In the event of any inconsistency between of the definitions listed above and this Revised Confirmation, this Revised Confirmation will govern.

The terms of the particular Swap Transaction to which this Revised Confirmation relates are as follows:

General Terms

Insurer:	Financial Guaranty Insurance Company
Trade Date:	07 June 2006
Effective Date:	12 June 2006
Termination Date:	15 June 2034
Notional Amount:	Initially USD 153,801,500 thereafter amortizing per the Amortization Schedule below.
Calculation Agent:	UBS AG
Business Days:	New York and London

Fixed Amounts

Fixed Rate Payer:	Counterparty
Fixed Rate:	In accordance with the following schedule:

From (and including)	To (but excluding)	Fixed Rate
Effective Date	15 June 2007	4.991
15 June 2007	15 June 2008	5.666
15 June 2008	1 July 2010	6.252
1 July 2010	Termination Date	6.352

Fixed Rate Day Count Fraction:	30/360
Fixed Rate Payer Payment Dates:	Quarterly, on each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2034, subject to adjustment in accordance with the Preceding Business Day Convention.
Period End Dates:	Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention, with No Adjustment.

Floating Amounts

Floating Rate Payer:	UBS AG
Floating Rate Option:	USD-LIBOR-BBA
Designated Maturity:	Three months, except that in respect to the initial Calculation Period, Linear Interpolation shall apply.
Spread:	Plus 34 Basis Points
Floating Rate Day Count Fraction:	Actual/360
Floating Rate Payer Payment Dates:	Each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2034, subject to adjustment in accordance with the Preceding Business Day Convention.
Period End Dates:	Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Reset Dates:	Initially, the Effective Date and thereafter on each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to but excluding the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Compounding:	Inapplicable

Amortization Schedule

Period From (and including)	Period to (but excluding)	National Amount (USD)
Effective Date	15-Jun-2029	153,801,500
15-Jun-2029	15-Jun-2030	133,095,500
15-Jun-2030	15-Jun-2031	108,470,000
15-Jun-2031	15-Jun-2032	82,303,000
15-Jun-2032	15-Jun-2033	54,497,000
15-Jun-2033	Termination Date	24,950,000

Optional Termination by Counterparty

With the prior consent of the Insurer, Counterparty shall have the right to terminate this Transaction (provided that no Event of Default or Termination Event has occurred) by providing (i) at least five (5) Business Days' prior written notice to UBS AG of its election to terminate this Transaction and (ii) evidence reasonably satisfactory to UBS AG that any and all amounts owed to UBS AG in connection with such early termination shall be paid on the due date thereof. On the Optional Termination Date set forth in such notice, an amount, determined by UBS AG, shall be payable by UBS AG or the Counterparty, as the case may be, in respect of such termination. If such amount is not acceptable to Counterparty, then UBS AG shall determine such amount in accordance with Section 6 of the Agreement, assuming Market Quotation and Second Method apply and Counterparty is the sole Affected Party.

Adjustment Event

If on the Effective Date or any date thereafter (an "Adjustment Event Date") the Notional Amount of this Transaction is greater than the Related Principal Amount, an Adjustment Event shall occur and the Notional Amount shall be reduced to the extent necessary to make such Notional Amount as of the Adjustment Event Date equal to the Related Principal Amount. As used herein:

(a) the term "Related Principal Amount" means UBS AG's Swap Percentage of Counterparty's Allocable Share of the aggregate principal amount of the outstanding FGIC-Insured Floating Rate Certificates;

(b) the term "UBS AG's Swap Percentage" means at any time **50 percent**;

(c) the term "Counterparty's Allocable Share" means (1) the total Regular Scheduled Payments to be made by Counterparty in respect of FGIC-Insured Floating Rate Certificates divided by (2) the total Regular Scheduled Payments to be made by Counterparty and Detroit General Retirement System Service Corporation in respect of FGIC-Insured Floating Rate Certificates, in each case after giving effect to any prepayments of Regular Scheduled Payments in connection with the circumstances of the Adjustment Event; and

(d) the term "FGIC-Insured Floating Rate Certificates" means any 2006 Funding Trust 2006 Pension Funding Securities (the "Related Certificates") that bear interest at a floating rate and the scheduled principal of and interest on which are insured under a financial guaranty insurance policy issued by Financial Guaranty Insurance Company.

(e) Upon an adjustment to the Notional Amount, a payment (an "Adjustment Payment") will be due and owing by one party to the other equal to the Market Quotation for this Transaction determined by UBS AG as if (i) a Termination Event occurred in respect of Counterparty, (ii) Counterparty was the only Affected Party with respect to such Termination Event, UBS AG was the party entitled to calculate the Market Quotation, and the Transaction is the Affected Transaction, (iii) the

relevant Adjustment Event Date was designated as the Early Termination Date, (iv) the Notional Amount of the Transaction was an amount equal to the difference between (X) the Notional Amount and (Y) the outstanding principal amount of the Related Certificates on the Adjustment Event Date, and (v) the requirement set forth in the definition of Market Quotation that quotations be obtained from four Reference Market-makers was met by having UBS AG provide a single quotation, provided, however, if Counterparty disputes such quotation, UBS AG shall seek bids from Reference Market-makers consistent with the provisions of Section 6 of the Agreement. If an Adjustment Payment is a positive number, Counterparty will pay an amount equal to such Adjustment Payment to UBS AG; if an Adjustment Payment is a negative number, UBS AG will pay an amount equal to the absolute value of such Adjustment Payment to Counterparty. An Adjustment Payment shall be paid by the relevant party on the date on which the Adjustment Event occurs.

(f) Notwithstanding anything to the contrary in this Agreement, Counterparty will not optionally cause an Adjustment Event if, in connection with such Adjustment Event, an Adjustment Payment would be payable by Counterparty to UBS AG unless Counterparty provides evidence reasonably satisfactory to UBS AG and the Swap Insurer that (i) such Adjustment Payment will be made by Counterparty on the Adjustment Event Date and (ii) such Adjustment Payment will not cause Counterparty)/ to be in violation of, or in default under the documentation relating to the Related Certificates.

Swap Advisor Fee

Swap Advisor:	Scott Balice Strategies LLC
Swap Advisor Fee:	On behalf of the Counterparty, a fee of USD 135,029.05 is being paid by UBS AG in respect of this Transaction to the Swap Advisor. Such fee is equal to the present value of 0.65 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Trade Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by the Counterparty), hereunder.
Swap Advisor Fee Payment Date:	Upon closing of the Related Certificates

Relationship between Parties

Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(a) Non-Reliance. Each party is acting for its own account, and has made its own independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of this Transaction. Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

References in this clause to "a party" shall, in the case of UBS AG and where the context so allows, include references to any affiliate of UBS AG.

Agreement to Deliver Documents

For the purpose of Sections 3(d) and 4(a) of the Agreement and in addition to the documents to be delivered pursuant to Part 2 of the Schedule, each party agrees to deliver the following documents:

Risk Considerations

The Counterparty acknowledges receipt from UBS, at or prior to the time of Counterparty's final approval of the Transaction evidenced by this Revised Confirmation, of a document entitled "Risk Considerations".

Custodian

At least two (2) Local Business Days prior to each Payment Date for the Transaction to which this Confirmation relates, Party A, as Calculation Agent, shall notify the Collateral Agreement Custodian of the net amount payable and the Party owing such payment as of the immediately following Payment Date.

Account Details

UBS Account Details

Account for payments in USD:

Bank:	*UBS AG, Stamford*
ABA/Bank No.:	026-007-993
Account No.:	101-WA-860050-025

Counterparty Account Details

Bank:	U.S. Bank, Minneapolis
FBO:	For further credit to U.S. Bank, N.A.
ABA/Bank No.:	091000022
Account No.:	180121167365
Ref:	Detroit COPS PFRS
Trust #:	789710000
Contact:	Jill Ling 651-495-3712

Offices

The office of UBS AG for the Swap Transaction is Stamford, CT; and the office of the Counterparty for the Swap Transaction is Detroit, MI.

Contact Names at UBS AG

Settlements:	Hotline:	(203) 719 1110
Confirmation Queries:	Jennifer McCandless	(212) 713 1212
ISDA Documentation:	Legal Department – Documentation:	(203) 719 6249
Swift:	UBSWUS33	
Fax:	(203) 719-5771	
Address:	UBS AG 677 Washington Boulevard Stamford, CT 06901	

[Intentionally left blank. Signature page follows.]

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to **(212) 373-6491.**

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By Marie-Anne Clarke

Name : Marie-Anne Clarke
Title: Executive Director and Counsel
Region Americas Legal
Fixed Income Section

By

Name : James B. Fuqua
Title : Managing Director and Counsel
Region Americas Legal

Acknowledged and agreed by the Detroit Police and Fire Retirement System Service Corporation as of the Trade Date specified above:

By:

Name Norman L. White
Title : President

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to **(212) 373-6491**.

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By

Name :
Title:

By

Name :
Title :

Acknowledged and agreed by the Detroit Police and Fire Retirement System Service Corporation as of the Trade Date specified above:

By:

Name Norman L. White
Title : President

EXHIBIT J

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's downgrades Syncora Guarantee to Ca; outlook is developing

Global Credit Research - 09 Mar 2009

New York, March 09, 2009 -- Moody's Investors Service has downgraded to Ca from Caa1 the insurance financial strength ratings of Syncora Guarantee Inc. ("SG" -- formerly XL Capital Assurance Inc.) and Syncora Guarantee (U.K.) Ltd. In the same rating action, Moody's downgraded the provisional senior unsecured shelf rating of Syncora Holdings Ltd. ("Syncora") to (P)C from (P)Ca and the rating of Twin Reefs Pass-Through Trust ("Twin Reefs") to C from Ca. The outlook for SG's insurance financial strength ratings is developing.

Moody's ratings on securities that are guaranteed or "wrapped" by a financial guarantor are generally maintained at a level equal to the higher of a) the rating of the guarantor (if rated at the investment grade level), or b) the published underlying rating (and for structured securities, the published or unpublished underlying rating). For further information please see Moody's recently published special comment entitled: Assignment of Wrapped Ratings When Financial Guarantor Falls Below Investment Grade (May 6, 2008); and Moody's November 10, 2008 announcement entitled: Moody's Modifies Approach to Rating Structured Finance Securities Wrapped by Financial Guarantors.

Today's rating action was prompted by the large loss reserve and credit impairment charges taken by the company on its mortgage-related exposures during 4Q2008, which have resulted in a $2.4 billion statutory deficit at SG as of December 31, 2008. Moody's said that the company's capital position is now below minimum statutory capital regulations under New York law, which heightens the risk of regulatory action.

Moody's notes that SG is attempting to reach a comprehensive settlement with its bank counterparties on certain exposures, including most of the company's insured ABS CDOs. The company also intends to repurchase wrapped RMBS securities from investors through a tender offer. In Moody's opinion, if the company is unable to reach such settlements in the near term, the company could be placed into rehabilitation or liquidated by the New York regulator.

Moody's said that the developing outlook reflects the possibility of both positive and negative pressure on SG's insurance financial strength ratings. Moody's notes that most of Syncora's bank counterparties have signed a non-binding letter of intent to commute certain ABS CDO exposures. To the extent Syncora is able to commute these exposures under terms that are consistent with those outlined in Syncora's recent SEC filings, SG's insurance financial strength ratings could be confirmed or upgraded. If, however, the company is unable to execute a settlement that improves its capital adequacy profile, the insurance financial strength ratings would likely be downgraded to C.

The downgrades of the ratings on Syncora's debt and preferred stock reflect the absence of dividend capacity at SG and the subordination of these instruments to policyholder claims. Moody's anticipates that any improvement in SG's capital adequacy profile achieved through the commutation or termination of troubled mortgage-related exposures will have minimal impact on the credit profile of the holding company over the near to medium term.

LIST OF RATING ACTIONS

The following ratings have been downgraded, with a developing outlook:

Syncora Guarantee Inc. -- insurance financial strength to Ca from Caa1;

Syncora Guarantee (U.K.) Ltd. -- insurance financial strength to Ca from Caa1.

The following ratings have been downgraded:

Syncora Holdings Ltd. -- provisional rating on senior debt to (P)C from (P)Ca; provisional rating on subordinated debt to (P)C from (P)Ca; and preference shares to C from Ca;

Twin Reefs Pass-Through Trust -- contingent capital securities to C from Ca.

The last rating action related to Syncora was on October 24, 2008, when Moody's downgraded SG's insurance financial strength rating to Caa1 from B2.

The principal methodology used in rating Syncora was Moody's Rating Methodology for the Financial Guaranty Insurance Industry, which can be found at www.moodys.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating Syncora can also be found in the Credit Policy & Methodologies directory.

Syncora Holdings Ltd. (formerly Security Capital Assurance Ltd) is a Bermuda-domiciled holding company whose primary operating subsidiary, Syncora Gurantee Inc. (formerly XL Capital Assurance Inc.) provides credit enhancement and protection products to the public finance and structured finance markets throughout the United States and internationally.

New York
Jack Dorer
Managing Director
Financial Institutions Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

New York
James Eck
Vice President - Senior Analyst
Financial Institutions Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

MOODY'S
INVESTORS SERVICE

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for retail clients to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.

EXHIBIT K

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's downgrades FGIC to Caa3 and will withdraw ratings

Global Credit Research - 24 Mar 2009

New York, March 24, 2009 -- Moody's Investors Service has downgraded to Caa3 from Caa1 the insurance financial strength (IFS) ratings of the main operating subsidiaries of FGIC Corporation, including Financial Guaranty Insurance Company and FGIC UK Limited (collectively "FGIC"). At the same time, Moody's affirmed the Ca ratings on FGIC's contingent capital securities, Grand Central Capital Trusts I-VI, and the senior debt ratings of the holding company, FGIC Corporation. Today's rating action reflects Moody's expectation of higher mortgage-related losses arising from FGIC's insured portfolio, insufficient claims paying resources to cover Moody's estimate of expected loss, and the constrained liquidity and financial flexibility of the holding company. The outlook for the ratings is negative.

Moody's also announced today that it will withdraw the ratings of FGIC and FGIC Corporation for business reasons. Please refer to Moody's Withdrawal Policy on moodys.com.

According to Moody's, today's rating action is the result of FGIC's substantial exposure to subprime mortgages and ABS CDOs, and Moody's expectation for materially higher losses on these exposures as reflected in continued adverse performance trends. The rating agency currently estimates that the expected loss for FGIC's insured portfolio now exceeds claims paying resources. The negative outlook reflects the possibility of even greater than expected losses in extreme stress scenarios, with losses possibly reaching sectors beyond mortgage related exposures as corporate and other consumer credits face a more challenging economic environment.

The Ca ratings on FGIC's contingent capital securities and on the senior debt of the holding company reflect the subordination of these securities to policyholder claims and the absence of unrestricted dividend capacity at FGIC. Moody's believes that FGIC Corporation maintains sufficient liquidity to service its debt obligations over the near term, although its longer term ability to pay debt service will likely depend upon receiving regulatory approval to upstream dividends from FGIC. Moody's considers this unlikely absent a marked improvement in FGIC's regulatory capital and risk position.

TREATMENT OF WRAPPED SECURITIES

In light of the withdrawal of FGIC's insurance financial strength ratings, Moody's ratings on securities that are guaranteed or "wrapped" by FGIC will be maintained at a level equal to the published underlying rating (and for structured securities, the published or unpublished underlying rating). Moody's ratings on non-structured securities wrapped by FGIC for which there is no published underlying rating either have been, or will be, withdrawn. Furthermore, for structured securities wrapped by FGIC, if Moody's is unable to determine the underlying rating or an issuer had requested that the guaranty constitute the sole credit consideration, the rating on the security will be withdrawn. For further information please see Moody's special comment entitled: Assignment of Wrapped Ratings When Financial Guarantor Falls Below Investment Grade (May 6, 2008); and Moody's November 10, 2008 announcement entitled: Moody's Modifies Approach to Rating Structured Finance Securities Wrapped by Financial Guarantors.

LIST OF RATING ACTIONS

The following ratings have been downgraded and will be withdrawn:

Financial Guaranty Insurance Company -- insurance financial strength to Caa3 from Caa1; and

FGIC UK Limited -- insurance financial strength to Caa3 from Caa1.

The following ratings were affirmed and will be withdrawn:

Grand Central Capital Trusts I-VI -- contingent capital securities at Ca; and

FGIC Corporation -- senior unsecured debt at Ca.

The last rating action was on December 19, 2008 when the ratings of FGIC were downgraded to Caa1 with a

negative outlook.

The principal methodology used in rating FGIC was Moody's Rating Methodology for the Financial Guaranty Insurance Industry, which can be found at www.moodys.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating FGIC can also be found in the Credit Policy & Methodologies directory.

OVERVIEW OF FGIC CORPORATION

FGIC Corporation is a holding company whose primary operating subsidiaries, Financial Guaranty Insurance Corporation and FGIC UK Limited, provide credit enhancement and protection products to the public finance and structured finance markets throughout the United States and internationally. FGIC Corporation is privately owned by an investor group consisting of The PMI Group, GE, and private equity firms Blackstone, Cypress and CIVC.

New York
Arlene Isaacs-Lowe
Senior Vice President
Financial Institutions Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

New York
Jack Dorer
Managing Director
Financial Institutions Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

PURCHASE, HOLDING, OR SALE.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for retail clients to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.

EXHIBIT L

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SYNCORA GUARANTEE INC., Plaintiff, v. UBS AG, SBS FINANCIAL PRODUCTS COMPANY, LLC, and MERRILL LYNCH CAPITAL SERVICES, INC., Defendants.	13-cv-5335 (LAK) ECF Filed

PLAINTIFF SYNCORA GUARANTEE INC.'S MEMORANDUM OF LAW IN OPPOSITION TO DEFENDANTS' MOTION FOR AN ORDER DIRECTING SYNCORA TO SHOW CAUSE WHY THIS ACTION SHOULD NOT BE TRANSFERRED TO THE EASTERN DISTRICT OF MICHIGAN

QUINN EMANUEL URQUHART & SULLIVAN, LLP
51 Madison Avenue, 22nd Floor
New York, New York, 10038
Telephone: (212) 849-7000
Facsimile: (212) 849-7100

Attorneys for Plaintiff Syncora Guarantee Inc

Syncora (along with another non-party insurer, the Financial Guaranty Insurance Co.) also insured payments under the Swap Agreements. *See* Defendants' Motion at 5.

By fixing the amount of interest in the Swap Agreements, both the Corporations and Syncora insulated themselves against variations in interest rates. Because a termination of the Swap Agreements could expose the Corporations, and consequently Syncora, to higher interest rates that could force the COPs into default, Syncora negotiated express contractual provisions that require the Swap Counterparties and Corporations to obtain Syncora's written consent to any amendment, modification, waiver, or early termination of the Swap Agreements in the event of a termination event or default. *See, e.g.* Hawkins Ex. I § 5(i) ("if any Event of Default . . . or Termination Event . . . occurs; then, in either such case, neither [UBS nor the Corporations] shall designate an Early Termination Date . . . without the prior written consent of the Swap Insurer [Syncora]"). Consequently, Syncora's written consent is required for any modification or termination of the Swap Agreements. *See id.; see also* QE Decl. Ex. C (Contract Administration Agreement 2006) § 6.9.2(2) ("any Insurer not then in default . . . shall . . . control all actions that may be taken by any Specified Hedge Counterparty that is the beneficiary of such Credit insurance, including . . . for the purposes of giving all other directions, consents and waivers that such Specified Hedge Counterparty may give"); QE Decl. Ex. D (2006 GRS Service Contract) § 9.02(a) (similar).[4]

[4] Defendants contend that they have a unilateral right to terminate the Swap Agreements without Syncora's consent. Defendants' Motion at 7. This is not the case, and is the subject of this lawsuit. Whether pursuant to a declared Event of Default under Section 5 of the Master Swap Agreements, or pursuant to Defendants' optional termination right under Part 6 of the Amended and Restated Schedules thereto, to terminate the Swap Agreements, Defendants must designate a Termination Date under Section 6 of the Master Swap Agreements. *See* Hawkins Decl. Exs. F and G. Under the plain terms of the Swap Agreements, Defendants cannot designate such a termination date without Syncora's consent. *See* Hawkins Decl. Ex. G at Part 5. Syncora's consent rights are further confirmed through provisions under related agreements which provided

C. The Forbearance Agreement And The Swap Counterparties' Attempt To Manufacture Bankruptcy Court Jurisdiction

On July 15, 2013—just days before the City of Detroit filed for bankruptcy on July 18, 2013—the Swap Counterparties, the Corporations, and the City (the "Forbearance Agreement Parties") entered into the Forbearance Agreement. *See* Hawkins Decl. Ex. D. Among other things, the Forbearance Agreement grants the City—a non-party to the Swap Agreements—an option to direct the Swap Counterparties to terminate the Swap Agreements. *See* Hawkins Decl. Ex. D §§ 1, 3. In that agreement, for the first time in the years since the Swap Agreements were negotiated, the Swap Counterparties represented (falsely) that they have the contractual right to unilaterally terminate the Swap Agreements. *See id.* at 2 ("WHEREAS . . . it is ***the view of UBS*** that UBS has the right (but not the obligation) to terminate the UBS Swap Agreements. . .") (emphasis added). The Forbearance Agreement, however, does not purport to modify or amend the Swap Agreements—which, as noted above, cannot be done without Syncora's consent. *See e.g.* Hawkins Ex. I § 5(i). Under the terms of the Forbearance Agreement, the City has until March 13, 2014 to exercise its option to direct the Swap Counterparties to terminate the Swap Agreements. *See* Defendants' Motion at 9.

Given the timing, it appears that a primary reason that the Swap Counterparties granted the City an option to direct them to terminate the Swap Agreements was to manufacture federal bankruptcy court jurisdiction over any state law contract dispute between Syncora and the Swap

---

Syncora with similarly broad protection. *See e.g.* QE Decl. Ex. E (2006 PFRS Service Contract), § 9.02(a) ("[a]t the request of the City and with the prior written consent of the Insurer…the Corporation shall terminate any Stated Hedge"). Moreover, Defendants' contention that Syncora lost its consent rights as it no longer maintains a claims-paying ability rating of at least A- or a financial strength rating of at least A3 is wrong. At most, Syncora's failure to maintain such ratings provides the Service Corporations with the ability to declare an Event of Default—which they have not done. *See* Hawkins Decl. Ex. G § 5(b). Assuming such an Event of Default is ever declared, it would not impair Syncora's consent rights.

CONCLUSION

For the foregoing reasons, Defendants' Motion to transfer venue to the Eastern District of Michigan should be denied.

DATED: New York, New York
August 10, 2013

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

By: s/ Jonathan Pickhardt

Jonathan E. Pickhardt
Susheel Kirpalani
Jake M. Shields
Nicholas J. Calamari
Monica Tarazi
51 Madison Avenue, 22nd Floor
New York, New York 10038
(212) 849–7000

Attorneys for Syncora Guarantee Inc.

EXHIBIT M

In The Matter Of:

City of Detroit

Kevyn Orr
August 30, 2013

Original File ORR_KEVYN.txt
Min-U-Script® with Word Index

Page 21

the Swap counterparties could unilaterally -- unilaterally terminate the Swap, correct?
MR. SHUMAKER: Objection, form.
A. Well, my understanding was the City -- there were a series of events which put the City in default. The consent agreement prior to my appointment, the consent agreement, the declaration of a financial emergency, my appointment was an event of default. My understanding was that due to those multiple events of default, the counterparties had the ability to exercise their rights and deprive the City of much needed casino revenue.
BY MR. HACKNEY:
Q. We'll get to the casino revenue in a moment which is something that's trapped under -- potentially trapped under the collateral agreement, right?
A. Right.
Q. I want to talk about the Swap agreement which can lead to a large termination payment --
A. Yes.
Q. -- that the service corporations might owe.
A. Yes.
Q. And you understand the distinction between those two documents --
A. Yes.

Page 22

Q. -- right?
A. Um-hm.
Q. And your assumptions prior to the June 4th meeting were that as a result of these events of default under the Swap that occurred, some of them, prior to your appointment --
A. Yes.
Q. -- that the Swap counterparties could unilaterally terminate the Swap and demand a sizable payment from the service corporations, correct?
MR. SHUMAKER: Objection, form, foundation.
A. Yeah, my assumption was, my understanding was that, yes, they could terminate and demand a sizable payment, whether from the service corporations or eventually from the City. It would hit our bottom line, yes.
BY MR. HACKNEY:
Q. That's right because it ripples --
A. Yes.
Q. -- through the service corporations to the City by the service agreements, right?
A. Yeah.
MR. SHUMAKER: Objection, form.
A. If that is in fact the process, yes.
BY MR. HACKNEY:

Page 23

Q. Now, another one of your assumptions prior to June 4 was that the Swap counterparties could also unilaterally trap cash under the collateral agreement, right?
MR. SHUMAKER: Objection, form, calls for a legal conclusion.
A. My understanding was that the Swap counterparties could instruct the custodian to exercise their rights to trap cash.
BY MR. HACKNEY:
Q. And that was one of the rights that they had as you were going into the negotiations with them, correct?
MR. SHUMAKER: Objection, form, calls for a legal conclusion.
A. My understanding -- yes. My understanding was that they had that right.
BY MR. HACKNEY:
Q. That's why you were negotiating with them, right?
A. My -- we were negotiating with them to make sure that the City had access to the revenue that it needed quite badly and that the City would not suffer the imposition of a fairly significant termination payment.
Q. Now, another one of your assumptions prior to June 4 was that no other party could stop the Swap

Page 24

counterparties from either terminating the Swaps or trapping cash, correct?
MR. SHUMAKER: Objection, form, foundation.
A. Yeah, my assumption was -- or, rather, my understanding was that the Swap counterparties had certain rights and that they had the ability to exercise those rights and remedies. Whether another party could, quote-unquote, stop them could depend on a number of different factors.
BY MR. HACKNEY:
Q. So was that something -- that was not something that you had considered then as of June 4th?
A. Yes.
MR. SHUMAKER: Objection, form.
A. Yeah. We had considered whether or not there were perhaps other risks involved. What I'm saying to you is I had not, as you phrased the question, reached a conclusion as to whether or not someone would have the ability to stop them from exercising those rights.
BY MR. HACKNEY:
Q. Okay. So you considered the question, but you hadn't answered, in your money mind, whether or not there was a party out there that could stop the Swap counterparties from acting.
MR. SHUMAKER: Objection, form.

Page 25

A. We believe that the Swap counterparties could act. I think there's a series of letters subsequently with discussion with your client about their lack of ability to stop the Swap counterparties from acting, but I'm -- what I'm trying to relay to you is we had to assess whether they were risks to that, and my understanding was that they had the right to exercise their remedies.

BY MR. HACKNEY:

Q. Okay. Now, I want to also get a level set on your objectives going into the negotiations, and I understand that when I say you, I mean the City, Mr. Buckfire, there are multiple parts --

A. My -- my team --

Q. That's right.

A. -- consultants.

Q. I may be a little euphemistic, but I'll try to be precise at the right times.

A. That's fine.

Q. Okay.

MR. SHUMAKER: Steve, if I could just object. If you could just define what you mean by level set, I would appreciate that.

MR. HACKNEY: I want to go back in time --

MR. SHUMAKER: Okay.

Page 26

MR. HACKNEY: -- to prior to the June 4 commencement of negotiations.

MR. SHUMAKER: Okay.

MR. HACKNEY: That's what I mean by level set.

MR. SHUMAKER: Okay. Thank you.

BY MR. HACKNEY:

Q. Now, I'd like to ask about your objectives as you go into the negotiation. Okay?

A. Um-hm.

Q. You understand that when you go into a negotiation it's important to have an understanding of both the financial realities that your party is -- is facing as well as the legal realities that your party's facing, correct?

A. Yes.

Q. That informs the negotiation, right?

A. In making an informed decision, I would say you want to have an understanding of those factors.

Q. And you also want to understand what your counterparty in the negotiation needs and wants are as well as their potential legal rights, right?

A. What your counterparty negotiations perceived needs and rights are.

Q. That's right. That's right.

Page 27

Now, I'm going to ask about the City's objectives in entering into the negotiations. Okay? Objective one of the City was to get the counterparties to waive their cash trap at least on an interim basis to allow the City access to casino revenues, correct?

A. I don't know if I would characterize it as objective one. It wasn't as if we were trying to prioritize one objective over the other. It was an objective to make sure that the cash did not get trapped.

Q. Okay. So that was one of the objectives.

A. Yes.

Q. A second objective was that you wanted to modify the Swap to get a discount on the termination amount, correct?

A. Yes. That was certainly an objective, yes.

Q. Okay.

MR. SHUMAKER: Objection there to the extent that it calls for a legal conclusion.

BY MR. HACKNEY:

Q. And the third was that you wanted to obtain an option about when you could direct the termination of the Swap, correct?

MR. SHUMAKER: Objection, calls for a legal conclusion.

Page 28

A. Here again, I understand your characterization. I'm going to say that that -- that is a fair characterization without trying to quantify as one objective is more important than the others, and let me explain my answer.

The City was at risk of significant reduction in cash flow at that period. I think at one point there were various projections that showed as us having as little as four or nine million dollars of cash on hand in mid-June. In fact, sometime around that period I heard that an employee of the City had gone to cash their paycheck and the paycheck had bounced. They came back in later that afternoon and it cashed, but we were -- we were that precarious in terms of our cash.

We knew we were at risk with regard to the Swap agreement both for trapping casino revenue as well as the termination payment. We also knew that we would need to analyze what the right were -- rights were and to have time to resolve that issue. So to the extent your characterization of three objectives encompasses those concepts, then that's a fair characterization.

BY MR. HACKNEY:

Q. And I don't mean to order them, but -- so I won't

Page 33

recollection is had a discussion with the counterparties, discussed a range of alternatives, our first overture was rejected, but we would have further discussions.
Q. And do you remember whether they countered?
A. I don't remember specifically. I believe they may have.
Q. Okay. Do you know the terms of their counter?
A. Generally in the same concept I said. If you're looking for a number, for instance, we said 50 percent and they came back with 98. I don't recall those specifics.
Q. So you can't give me the bid and the ask --
A. Yeah.
Q. -- on what the Swap would be modified as far as the termination?
A. Yes, that's correct.
(Discussion off the record at 8:56 a.m.)
(Back on the record at 8:56 a.m.)
BY MR. HACKNEY:
Q. Did the City enter into a nondisclosure agreement in connection with these negotiations?
A. Yes, I believe so.
Q. With the Swap counterparties?
A. Yes.

Page 34

MR. HACKNEY: I think we would ask to see if that could be produced. I know that there's not formal written discovery, but the Court has also indicated that all documents relating to the debtors are effectively discoverable in bankruptcy, so I'd ask that you consider that and we can address it later.
MR. SHUMAKER: We'll look into it.
BY MR. HACKNEY:
Q. Now the -- I know that -- I've established already that you -- you don't have an independent recollection of the specific dates any of this occurred. I'm making representations to you as an officer who was here yesterday.
A. Right.
Q. So subject to my representations being accurate, Mr. Buckfire's recollection was that the next meeting in person with the Swap counterparties was June 8th.
A. That's sou -- as I said, there was a first week and there was a second week and that sounds about accurate. I believe June 8th may have been a weekend, so as I said before some of these discussions may have occurred over the weekend.
Q. Okay. So discussions had not broken down at this point, correct?
A. No. They may have. I think they broke down at some point during the first week, but they -- they resumed. My interpretation was that they broke down, and then they recommenced a second week.
Q. Okay. So on -- if there -- to the extent Mr. Buckfire's right that there was an in-person June 8th meeting --
A. Yeah.
Q. -- do you remember what his -- what your marching orders to him were as he went into that meeting?
A. Here again, the concept of marching orders, we were trying to get to an agreement generally, and I believe the instructions were to continue to move towards that process, whatever that was. And so the specific bid/ask that were going on throughout that time, I don't -- I don't recall, but the general concept was to continue to try to move to a point to get to a discount number or a discount process.
Q. Is it fair to say that if I ask you for the specific ebb and flow of the negotiations between the Swap counterparties in terms of the precise business deal --
A. Right.
Q. -- you would have to defer to Mr. Buckfire's recollection because he was more intimately involved?
A. That's fair. Because Ken was -- Ken would have the direct meetings and then call me back. We'd go back and forth, and I didn't keep notes and I didn't keep a calendar, so --
Q. I asked you about nondisclosure agreements, but did the City execute any other agreements of any kind with the Swap counterparties during this period that you were negotiating the forbearance agreement?
A. No, not that I know of.
(Discussion off the record at 8:59 a.m.)
(Back on the record at 8:59 a.m.)
MR. HACKNEY: No. Problem. Let's go off the record.
VIDEO TECHNICIAN: The time is 8:59 a.m. We are off the record.
(Recess taken at 8:59 a.m.)
(Back on the record at 9:08 a.m.)
VIDEO TECHNICIAN: We are back on the record at 9:08 a.m.
BY MR. HACKNEY:
Q. Mr. Orr, I want to clear something up. Maybe I've been saying it the wrong way. I've been using the term "marching orders" with the respect to the way that you and Mr. Buckfire operated.
A. Right.
Q. And is a better way to say it that you authorized

Page 35

Page 36

Page 37

Mr. Buckfire to negotiate the best possible deal he could with the Swap counterparties and that's what he did?
A. That's a fair characterization, sure.
Q. And at some point did he come out of a meeting and say, Mr. Orr, this is the best deal that I'm able to get out of these Swap counterparties and it's my advice that we take it?
A. Yes.
Q. And was that on or about June 11th, 2013, which is the date he recalls the agreement in principle being reached?
A. Yes.
MR. SHUMAKER: Objection to form.
BY MR. HACKNEY:
Q. And what was the agreement in principle that was reached as you understood it?
A. The agreement was essentially that in exchange for a reduced optional termination payment -- we'll just call it the payment under the forbearance agreement -- the Swap counterparties would agree not to trap the cash, they would agree to release their liens, and also release their claims, I believe, against your client, Syncora, and we would have access to that cash going forward provided we made the discounted payment

Page 38

at some point in the future. I believe at that point it was in the next 60, 90 days.
Q. Isn't the -- wasn't the agreement in principle that you'd have an option to direct the termination of the Swap?
MR. SHUMAKER: Objection, calls for a legal conclusion.
A. Yeah. I believe the way it works is we would have an option to request the counterparties exercise their rights at a discounted level.
BY MR. HACKNEY:
Q. And I'm not asking about the forbearance agreement. I'm asking about the agreement in principle.
A. Yeah, I think those were the general confines of the agreement in principle.
Q. Okay. Now, you did not invite anyone else to the negotiations with the Swap counterparties; isn't that correct?
A. I did not invite anyone else. I don't know if Ken invited anyone else or anyone else on my behalf invited anyone else.
Q. And you did not direct anyone such as Mr. Buckfire or others to invite any other parties into the negotiation, correct?
A. Correct.

Page 39

Q. And you did not invite Syncora to participate in these negotiations, correct?
A. Correct.
Q. And you did not inform Syncora of the existence of these negotiations, correct?
A. The reason I'm hesitating is at some point clearly Syncora became aware, so I don't know how they were informed, but I did not do it, correct.
Q. You didn't do it.
A. Correct.
Q. And you did not invite FGIC to attend these negotiations, correct?
A. I believe that's correct.
Q. And you didn't direct anyone acting on your behalf to invite FGIC, correct?
A. Correct.
Q. Nor did you inform FGIC of the existence of these negotiations, correct?
A. Me personally, no.
Q. You didn't invite U.S. Bank as trustee to the funding trust or as custodian or contract administrator to attend any negotiations, correct?
A. Me personally, no.
Q. And you didn't direct anyone else acting on your behalf to do so, correct?

Page 40

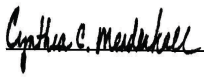
A. Correct.
Q. Now, why didn't you invite Syncora into these negotiations with the Swap counterparties?
A. After consultations with my, you know, team, we didn't think Syncora had any right to be involved in the negotiations.
Q. And that's because Syncora had no rights under the relevant documents?
A. That was my understanding, yes.
Q. Now, at any time during these negotiations -- and by these negotiations, I mean through the June 11th agreement in principle.
A. Um-hm.
Q. Okay? I understand that there are legal negotiations of the scrivening of the document --
A. Sure.
Q. -- between June 11 and July 15. I going to ask you about them, but when I say these negotiations, I'm talking about the ones that we're talking about right now --
A. Um-hm.
Q. -- that led to the agreement in principle.
A. Okay.
Q. At any time prior to June 11th, did the Swap counterparties send a notice of a default under the

VIDEO TECHNICIAN: All set?
THE WITNESS: All done? Okay. Thank you very much.
VIDEO TECHNICIAN: This concludes today's deposition. The time is 3:52 p.m. We are off the record.
(The deposition was concluded at 3:52 p.m. Signature of the witness was not requested by counsel for the respective parties hereto.)

CERTIFICATE OF NOTARY

STATE OF MICHIGAN)
) SS
COUNTY OF OAKLAND)

I, CYNTHIA C. MENDENHALL, certify that this deposition was taken before me on the date hereinbefore set forth; that the foregoing questions and answers were recorded by me stenographically and reduced to computer transcription; that this is a true, full and correct transcript of my stenographic notes so taken; and that I am not related to, nor of counsel to, either party nor interested in the event of this cause.



CYNTHIA C. MENDENHALL, CSR 5220
Notary Public,
Oakland County, Michigan.
My Commission expires: April 5, 2017