

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

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In re : Chapter 9  
: CITY OF DETROIT, MICHIGAN, : Case No. 13-53846  
: Debtor. : Hon. Steven W. Rhodes  
: :  
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**DECLARATION OF ALFREDO R. PÉREZ IN SUPPORT  
OF LIMITED OBJECTION OF FINANCIAL GUARANTY  
INSURANCE COMPANY TO MOTION OF DEBTOR FOR ENTRY OF  
AN ORDER (I) AUTHORIZING THE ASSUMPTION OF THAT CERTAIN  
FORBEARANCE AND OPTIONAL TERMINATION AGREEMENT PURSUANT  
TO SECTION 365(a) OF THE BANKRUPTCY CODE, (II) APPROVING SUCH  
AGREEMENT PURSUANT TO RULE 9019, AND (III) GRANTING RELATED RELIEF**

I, Alfredo R. Pérez, declare as follows:

1. I am a partner in the firm of Weil, Gotshal & Manges LLP, attorneys for Financial Guaranty Insurance Company (“**FGIC**”) in connection with the above-captioned chapter 9 case.
2. I respectfully submit this declaration in support of the *Limited Objection of Financial Guaranty Insurance Company to Motion of Debtor for Entry of an Order (i) Authorizing the Assumption of that Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (ii) Approving Such Agreement Pursuant to Rule 9019, and (iii) Granting Related Relief*, filed contemporaneously herewith (the “**Objection**”).
3. I have personal knowledge of the information set forth herein.

4. Attached hereto as **Exhibit A** is a true and correct copy of Ordinance No. 03-05.
5. Attached hereto as **Exhibit B** is a true and correct copy of Ordinance No. 04-05.
6. Attached hereto as **Exhibit C** is a true and correct copy of Ordinance No. 05-05.
7. Attached hereto as **Exhibit D** is a true and correct copy of the GRS Service Corporation Articles of Incorporation.<sup>1</sup>
8. Attached hereto as **Exhibit E** is a true and correct copy of the PFRS Service Corporation Articles of Incorporation.
9. Attached hereto as **Exhibit F** is a true and correct copy of the 2006 Trust Indenture.
10. Attached hereto as **Exhibit G** is a true and correct copy of the GRS Service Contract 2006.
11. Attached hereto as **Exhibit H** is a true and correct copy of the PFRS Service Contract 2006.
12. Attached hereto as **Exhibit I** is a true and correct copy of the Letter from the Service Corporations to FGIC, dated June 1, 2006 and signed by FGIC on June 7, 2006 (the "**Termination Consent Letter**").
13. Attached hereto as **Exhibit J** is a true and correct copy of the 2006-A Policy.

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<sup>1</sup> Capitalized terms used but not defined herein have the meanings ascribed to them in the Objection.

14. Attached hereto as **Exhibit K** is a true and correct copy of the 2006-B Policy.
15. Attached hereto as **Exhibit L** is a true and correct copy of the Letters from MLCS to SBS, the Service Corporations and U.S. Bank, National Association dated July 19, 2013 (the “**SBS Transfer Letters**”).
16. Attached hereto as **Exhibit M** is a true and correct copy of the ISDA. Each of the Swap Contracts includes an ISDA Master Agreement substantially identical to the ISDA attached hereto.
17. Attached hereto as **Exhibit N** is a true and correct copy of the Schedule. Each of the Swap Contracts includes a Schedule substantially identical to the Schedule attached hereto.
18. Attached hereto as **Exhibit O** is a true and correct copy of the Confirmation. Each of the Swap Contracts includes a Confirmation substantially identical to the Confirmation attached hereto.
19. Attached hereto as **Exhibit P** is a true and correct copy of the Swap Surety Policy Number 06010252 (the “**Swap Surety Policy**”). Each of the 2006-B Swap Surety Policies is substantially identical to the Swap Surety Policy attached hereto.
20. Attached hereto as **Exhibit Q** is a true and correct copy of Ordinance No. 05-09.
21. Attached hereto as **Exhibit R** is a true and correct copy of the news article: Moody’s Investors Service, *Rating Action: Moody’s Downgrades Detroit (MI)’s General Obligation Unlimited Tax and Certificate of Participation Debt to B2 and GOLT Debt to B3*, March 20, 2012, available at <http://www.moodys.com/research/MOODYS->

DOWNGRADES-DETROIT-MIs-GENERAL-OBLIGATION-UNLIMITED-TAX-AND-CERTIFICATE--PR\_241052 (the “**Moody’s Article**”).

22. Attached hereto as **Exhibit S** is a true and correct copy of the TRO.

23. Attached hereto as **Exhibit T** is a true and correct copy of the Wavier and Consent of Insurer, dated June 26, 2009 (the “**Insurer Consent**”).

24. Attached hereto as **Exhibit U** is a true and correct copy of the Michigan.gov Article.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that, to the best of my knowledge, information and belief, the foregoing is true and correct.

Dated: August, 16, 2013  
New York, New York

/s/ Alfredo R. Pérez  
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