4TH AMENDED PLAN OF ADJUSTMENT: CLAIMS PROPOSED TO BE PAID

PAYMENTS TO BANKS AND BONDHOLDERS OUT OF CITY FUNDS: TOTAL $11,475,490,066 ($11.5 BILLION)
PAYMENTS TO RETIREES OUT OF CITY GENERAL FUND: $0 UNTIL AT LEAST 2023
(To retirees from State/DIA: $716 M over 20 years IF they vote for plan and withdraw any legal/other action citing State Constitution, Art. 9 Sec. 24 protection of pensions, constitutionality of EM Act PA 436)

TO SUPPORT PAYMENT OF DEBTS TO BANKS AND OTHER NON-RETIREE CREDITORS, KEVYN ORR HAS SIGNED AN EXECUTIVE ORDER FOR A $650 MILLION BOND ISSUE.

SECURED CLAIMS (BACKED BY WATER, OTHER REVENUES FROM RATEPAYERS, TAXES)

1A	All Classes of DWSD Bond Claims	Unimpaired/ Nonvoting; Impaired/ Voting	**4,568,346,628**	**NEARLY ALL UNIMPAIRED (NOT DECREASED FROM ORIGINAL CLAIM)**
1B	All Classes of DWSD Revolving Sewer Bond s	Unimpaired/ Nonvoting	**482,872,027**	
1C	All Classes of DWSD Revolving Water Bonds	Unimpaired/ Nonvoting	**21,453,761**	
2A	Secured GO Series 2010	Unimpaired/ Nonvoting	**252,475,366**	
2B	Secured GO Series 2010(A)	Unimpaired/ Nonvoting	**101,707,848**	
2C	Secured GO Series 2012(A)(2)	Unimpaired/ Nonvoting	**39,354,171**	
2D	Secured GO Series 2012(A2-B)	Unimpaired/ Nonvoting	**54,055,927**	
2E	Secured GO Series 2012(B)	Unimpaired/ Nonvoting	**6,469,135**	
2F	Secured GO Series 2012(B2)	Unimpaired/ Nonvoting	**31,037,724**	
3	Other Secured Claims	Unimpaired/ Nonvoting	**Unspecified**	
4	HUD Installment Notes Claims	Unimpaired/ Nonvoting	**90,075,004**	**HUD, thru Fannie Mae/ Freddie Mac, does 50 % of evictions in Detroit due to massive foreclosures from predatory, illegal mortgages, disparate treatment of poor, Black, Latino neighborhoods. The FM's pay banks 100% of mortgages. Banks pay no taxes on foreclosed homes, do not maintain them. City loses homeowner taxes. WHAT HAPPENED TO $500 M HARDEST HIT FUND?**
5	COP Swap Claims	Impaired/ Voting	**85,000,000 plus 300,000,000 already paid plus interest after effective date**	**Full faith and credit of city, from general fund before anything else. Net to be paid in full in cash within 30 days of effective date Dec. 31, 2014; interest charged up to 180 days if it takes longer, at Barclay's loan rate plus 1.0 %. On effective date each party receives a deferral fee in cash equal to 1 percent of total. If these terms not met, will be a "liquidity event" (default—city pays total even if goes broke).**
6	Parking Bond Claims	Unimpaired/ Nonvoting	**8,099,287**	**Drivers in city help pay this with drastically increased parking ticket rates effective June 1, 2014.**

UNSECURED CLAIMS (CHALLENGED IN BANKRUPTCY, SUBJECT TO CREDITORS' VOTES)

7	Limited Tax General Obligation Bond Claims	Impaired/Voting	**163,543,188**	
8	Unlimited Tax General Obligation Bond Claims	Impaired/Voting	**388,000,000**	**Bondholders have already agreed; <u>this is 74% of their claims,</u> rest to come from insurance companies.**
9	COP Claims	Impaired/Voting	**At least 580,000,000**	**COP Claims offer: for settling parties, 40 % of aggregate unpaid principal amount: $580 million. City will make "every effort to consult with OCR, DG VEBA and PF VEBA." For those who don't settle, City will establish Disputed COPS claims reserve. Remainder divided up between those the court deems allowed, the two VEBA's and the city.**
10	**PFRS Pension Claims (actually secured by years of labor, ASF contributions, union contracts)**	Impaired/Voting	**1,245,000,000****	**City to pay nothing until at least 2023—money to come solely from DIA and State Contribution agreements totaling $716M which won't be signed (if at all) until Dec. 31. Retirees to pay MONTHLY individual Annuity Savings Fund Recoupment, lose % of COLA. EACH AGREEMENT NON-BINDING, MEANS DIA/STATE <u>DON'T HAVE TO PAY. WHAT HAPPENED TO $723 MILLION IN STATE REVENUE SHARING OWED TO DETROIT OVER LAST 10 YEARS?</u>**
11	GRS Pension Claims **(actually secured by years of labor, ASF contributions, union contracts;**	Impaired/Voting	**1,879,000,000****	**City to pay $428.5 million coming from DWSD revenues, e.g. restructuring savings (if DWSD even still exists), part of State Contribution Fund plus DIA (amount) which won't be signed (if at all) until Dec. 31. Retirees to pay MONTHLY individual Annuity Savings Fund Recoupment, 4.5 % cut in pension if WHOLE agreement passes; 27 % cut if not, (including if DIA/State don't pay), loss of COLA. Additional money from Disputed COPS claim fund if not settled. EACH AGREEMENT NON-BINDING, MEANS DIA/STATE <u>DON'T HAVE TO PAY</u>. <u>WHAT HAPPENED TO $723 MILLION IN STATE REVENUE SHARING OWED TO DETROIT OVER LAST 10 YEARS?</u>**
12	OPEB Claims	Impaired/Voting	**4,303,000,000**	**Per agreement between Retirement Committee and City: on effective date, DGRS VEBA gets 218,000,000. PFRS VEBA gets 232,000,000. VEBA is trust run by city-selected bank, with bank getting assorted fees, expenses, investment decisions, not retirees or city. Additional money may come from unsettled Disputed COPS claim fund. <u>NO GUARANTEE THAT VEBA AMOUNT WILL COVER NECESSARY BENEFITS. TWENTY-YEAR OVERSIGHT BOARD ASSIGNED.</u>**
13	DDA Claims	Impaired/Voting	**33,600,000**	**DDA is front for Detroit Economic Growth Corp., run by wealthy private corporations.**
14	Other Unsecured Claims	Impaired/Voting	**Prorated**	
15	Convenience Claims	Impaired/Voting	**25% of total**	
16	Subordinated Claims	Impaired/Nonvoting	**0**	

CONDITIONS FOR STATE AND DIA FUNDING OF PENSIONS, <u>TOTALING $716 MILLION OVER 20 YEARS @ 6.75%</u>
Both PFRS and DGRS retirees vote for the plan; they, retirement systems, all other retiree associations, unions, any others must withdraw 6th Circuit Court of Appeals cases, any District Court Appeals of constitutionality of Public Act 436, and any other legal action/assertion that the State Constitution Art. 9, Sec. 24, protects public pensions. If STATE/DIA fund, no appeal; if not, all retirees will be deemed to have voted NO.
ART. 9 SEC. 24 OF THE MICHIGAN CONSTITUTION: "The accrued financial benefits of each pension plan and retirement system of the state and its political subdivisions shall be a contractual obligation thereof which shall not be diminished or impaired thereby. Financial benefits, annual funding. Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities."