

Miller Buckfire & Co., LLC  
601 Lexington Avenue, 22<sup>nd</sup> Floor  
New York, New York 10022  
www.millerbuckfire.com

James Doak  
Managing Director  
Phone: 212-895-1829  
Fax: 212-895-1835  
james.doak@millerbuckfire.com

July 11, 2014

Potential Financing Provider

Ladies and Gentlemen:

On behalf of the City of Detroit (“Detroit” or the “City”), Miller Buckfire & Co., LLC (“Miller Buckfire”) is soliciting parties who may be interested in providing the City with a financing proposal. Detroit is seeking \$300 million of Exit Financing (the “Financing”). The City expects that proceeds of the Financing would be used to fund: i) the retirement of the City’s \$120 million Post-Petition Financing, ii) certain of the City’s reinvestment and revitalization initiatives and iii) the retirement of the City’s obligations with respect to holders of Class 5 Claims (COP Swap Claims) and holders of Class 7 Claims (Limited Tax General Obligation Bond Claims) under the City’s Fourth Amended Plan of Adjustment (the “Plan”) associated with the City’s consummation of its confirmed Plan.

Included as attachments to this letter, Miller Buckfire has provided (i) an indicative term sheet summarizing the proposed Financing, (ii) the most recent Plan and accompanying Disclosure Statement, (iii) a copy of recently enacted legislation regarding the oversight of the City on a post-restructuring basis, and (iv) certain publicly available documentation related to the City’s Post-Petition Financing. The City is willing to consider a wide range of financing structures other than the structure set forth in the indicative term sheet included herewith. Prospective financing sources will be expected to submit indicative term sheets (“Term Sheets”) **no later than 5 P.M. E.D.T. on July 24, 2014, via e-mail**, to the attention of:

James Doak  
Managing Director  
Miller Buckfire & Co., LLC  
601 Lexington Avenue, 22<sup>nd</sup> Floor  
New York, New York 10022  
Tel: (212) 895-1829  
james.doak@millerbuckfire.com

**This communication has been posted on the Emergency Manager’s website ([www.detroitmi.gov/EmergencyManager.aspx](http://www.detroitmi.gov/EmergencyManager.aspx)) and is public information.**

Your Term Sheet should be in writing and should specify the following:

- (i) Description of the contemplated debt financing structure;
- (ii) Indication of pricing and other key terms (tenor, fees, rates/spreads, amortization, security/collateral, conditions precedent, events of default, covenants, etc.);
- (iii) Pricing variations between (a) secured and unsecured and (b) tax exempt and taxable structures;
- (iv) Amount your institution is willing to commit to underwrite;
- (v) Significant issues that may impact the overall structure and/or your level of commitment;
- (vi) Process required to provide a definitive commitment letter, including identification of any significant contingencies; and
- (vii) Any other information that you believe will assist Miller Buckfire and the City in reviewing your Term Sheet.

In evaluating the Term Sheets, the City, in conjunction with Miller Buckfire, will take into consideration, among other things, the contemplated transaction structure, pricing and fees associated with the transaction and the financing source's ability to close a transaction expeditiously. Upon completion of this review, Miller Buckfire and the City will select a limited number of financing sources to complete due diligence and to provide Detroit with a financing commitment, which will be chosen and executed by the City in early-August.

Detroit reserves the right, at any time, in its sole discretion and without specifying the reasons therefore, to alter or terminate this process, and to terminate discussions with any and all prospective financing sources. Prospective financing sources **may not** contact any employee of the City, except as specifically authorized in advance.

If you have further questions concerning Detroit or the procedures set forth in this letter, please feel free to call Jim Doak at (212) 895-1829, Kyle Herman at (212) 895-1891, or Sanjay Marken at (212) 895-1830.

Thank you for your continued interest. We look forward to working with you.

Sincerely,

MILLER BUCKFIRE & CO., LLC

cc: Thomas Saxton, Chief Deputy Treasurer, Michigan Department of the Treasury  
Kevyn Orr, Emergency Manager, City of Detroit  
John W. Hill, Chief Financial Officer, City of Detroit

**This communication has been posted on the Emergency Manager's website ([www.detroitmi.gov/EmergencyManager.aspx](http://www.detroitmi.gov/EmergencyManager.aspx)) and is public information.**

### **Municipal Advisor Notice**

The City of Detroit is represented by Miller Buckfire & Co., LLC (“Miller Buckfire”) and relies on the advice of Miller Buckfire, an independent registered municipal advisor, with respect to the issuance of municipal securities in this Financing and/or pursuant to the Plan. The City intends that market participants seeking to provide advice and information to the City regarding this Financing may receive and rely on this representation for purposes of the independent municipal advisor exemption set forth in the Municipal Advisor Rules of the Securities and Exchange Commission.

**This communication has been posted on the Emergency Manager’s website ([www.detroitmi.gov/EmergencyManager.aspx](http://www.detroitmi.gov/EmergencyManager.aspx)) and is public information.**