



July 2, 2014

**Notice to Beneficial Holders of
Detroit Water and Sewerage Department (“DWSD”) Revenue Bonds
and Detroit Unlimited Tax General Obligation Bonds
that Are Insured by Assured Guaranty Municipal Corp.,
Formerly Known as Financial Security Assurance Inc., or
Assured Guaranty Corp. (collectively, “Assured Guaranty”)**

On July 1, 2014, United States Bankruptcy Judge Steven W. Rhodes of the United States Bankruptcy Court for the Eastern District of Michigan Southern Division (the “Court”) ruled that Assured Guaranty is the sole party authorized to vote and make the DWSD Bond Election with respect to all claims arising from the DWSD Revenue Bonds and Detroit Unlimited Tax General Obligation Bonds that are insured by Assured Guaranty. In accordance with the ruling, the City of Detroit, Michigan (the “City”) will disregard any votes submitted on the claims arising from such bonds by any party other than Assured Guaranty.

Because you are a beneficial holder of such bonds, the City solicited your acceptance of the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, modified or supplemented, the “Plan”) by sending you a package of materials related to the Plan (the “Solicitation Package”). If you have not already voted, there is no need to do so, as, in accordance with the terms of the Court’s July 1, 2014 order, only votes cast by Assured Guaranty will be recognized by the City.

Detroit Water and Sewerage Department Revenue Bondholders

If you are a beneficial holder of DWSD Revenue Bonds insured by Assured Guaranty, Assured Guaranty [previously advised you](#) that it had made a filing with the Court asserting that the bond documents relating to the DWSD Revenue Bonds provide Assured Guaranty the exclusive right to vote to accept or reject the Plan and to make the Bond Election with respect to any and all claims arising from the DWSD Revenue Bonds that it insures, including any DWSD Revenue Bonds that you may beneficially hold. Because the Court might not have ruled on the matter before the voting deadline, Assured Guaranty also provided voting directions to be followed by bondholders voting prior to the Court’s determination of voting rights. If you did vote in accordance with these directions, Assured Guaranty thanks you for your cooperation. However, pursuant to the Court’s July 1, 2014 order, votes by beneficial holders of DWSD Revenue Bonds insured by Assured Guaranty will be disregarded by the City. Therefore, if you have not yet voted, there is no reason to vote because your vote will be disregarded by the City. Instead, Assured Guaranty will exercise its exclusive voting rights related to the DWSD Revenue Bonds it has insured.

Detroit Unlimited Tax General Obligation Bondholders

If you are a beneficial holder of certain Unlimited Tax General Obligation Bonds (collectively, the “UTGO Bonds”) issued by the City and insured by Assured Guaranty, there is no reason to vote because your vote will be disregarded by the City in accordance with the Court’s July 1, 2014 order. Instead, Assured Guaranty will exercise its exclusive voting rights related to the UTGO Bonds it has insured.

Assured Guaranty Municipal Corp.

31 West 52nd Street
New York, NY 10019

main 1 212 826 0100
fax 1 212 688 3101

info@assuredguaranty.com

AssuredGuaranty.com