

**NOTICE OF (I) NON-PAYMENT OF FUNDING TRUST RECEIVABLES
OBLIGATIONS AND (II) DEFICIT INTEREST RELATED PAYMENT**

TO HOLDERS OF

**DETROIT RETIREMENT SYSTEMS FUNDING TRUST 2005
CERTIFICATES OF PARTICIPATION SERIES 2005-A**

CUSIP Affected: 25113PAY1, 25113PAL9, 25113PAM7 and 25113PAN5*

NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

Wilmington Trust, National Association ("WTNA") is successor trustee (the "Trustee") to U.S. Bank National Association under that certain Trust Agreement dated June 2, 2005 (the "Trust Agreement") by and among the Trustee, the Detroit General Retirement System Service Corporation (the "GRS Corporation"), and the Detroit Police and Fire Retirement System Service Corporation (the "PFRS Corporation," and collectively with the GRS Corporation, the "Service Corporations").

Separate from its role as Trustee under the Trust Agreement, WTNA is also successor to U.S. Bank National Association in its capacity as contract administrator (the "Contract Administrator") under a certain Contract Administration Agreement dated June 2, 2005 (the "Contract Administration Agreement") by and among the Contract Administrator, the Funding Trust (defined herein), the GRS Corporation and the PFRS Corporation.

Unless otherwise noted, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Trust Agreement and the accompanying General Terms and Conditions dated as of May 1, 2005.

The Certificates

The above-referenced Series 2005-A Certificates of Participation (the "Certificates") were issued by the "Detroit Retirement Systems Funding Trust 2005" (the "Funding Trust") established under the Trust Agreement for the purpose of funding the unfunded accrued actuarial liability of the Detroit General Retirement System and the Detroit Police and Fire Retirement System. The Certificates evidence individual undivided proportionate interests in the rights to receive certain payments (the "Funding Trust Receivables") to be made by the City of Detroit, Michigan (the "City") under two service contracts of the City, namely (i) a Service Contract dated May 25, 2005 between the City and the GRS Corporation and (ii) a Service Contract dated May 25, 2005 between the City and the PFRS Corporation (collectively, the "Service Contracts"). The Trust Agreement, Contract Administration Agreement and Service Contracts are sometimes referred to herein collectively as the "Transaction Documents."

Pursuant to the Service Contracts, the City is obligated to make service payments and certain additional payments to the Contract Administrator corresponding to the principal and interest payments due and owing on the Certificates. Pursuant to the Trust Agreement, the Service Corporations assigned their respective rights and interests in the Funding Trust Receivables due under the Service Contracts to the Funding Trust.

Non-Payment of Funding Trust Receivables

As previously reported by the Trustee, the City filed a voluntary petition under Chapter 9 of the United States Bankruptcy Code on July 18, 2013.

Pursuant to the Service Contracts and the Contract Administration Agreement, the City was required to remit payment to the Contract Administrator on June 15, 2014, in satisfaction of its current obligations in respect of the applicable Funding Trust Receivables. The City did not remit such payment to the Contract Administrator. The City's failure to do so constitutes an Event of Default under the governing provisions of the Contract Administration Agreement.

Because of the City's failure to make the required Funding Trust Receivables payment, there are insufficient funds in the Funding Trust to make scheduled principal and interest payments on the Certificates. The aggregate amount of the funding shortfall is approximately \$41,286,602.78 (the "Payment Shortfall"). Accordingly, a notice of the shortfall in respect of the payments due by the City under the Service Contracts was submitted.

Insurance Policies

Payments of principal and interest on the Certificates are guaranteed under certain insurance policies (the "Policies") issued by Financial Guaranty Insurance Company ("FGIC") and Syncora Guarantee Inc. f/k/a XL Capital Assurance Inc. ("Syncora," and collectively with FGIC, the "Insurers"). As noted above, the Contract Administrator has delivered a notice to the Insurers apprising them of the shortfall in respect of the payments due by the City under the Service Contracts. The Trustee has made demands upon the Insurers under the policies in respect of the payment shortfall; approximately \$10,965,252.10 attributable to the Policies issued

by FGIC and the approximately \$30,321,350.68 attributable to the Policies issued by Syncora. Syncora remitted payment to the Trustee to fund the June 15, 2014 payments for the CUSIPs insured by Syncora. FGIC did not remit payment to fund the June 15 payment.¹ Accordingly, payment was made on June 15, 2014, as set forth below:

Detroit Retirement Systems Series 2005A				
CUSIP	Insurer	Principal Paid	Interest Paid	Interest per \$1,000
25113PAY1	Syncora	\$29,645,000.00	\$676,350.68	1,022.8150001
25113PAL9	FGIC	0.00	0.00	0.00
25113PAM7	FGIC	0.00	0.00	0.00
25113PAN5	FGIC	0.00	0.00	0.00

Payment by Fiscal Agent for FGIC of Claims Relating to Shortfall in December 15, 2013 Funding Trust Receivables Obligations

As set forth in the Trustee's prior notices, the Contract Administrator filed the requisite claims in FGIC's Rehabilitation Proceeding with respect to the shortfall in payment of Funding Trust Receivables obligations attributable to policies issued by FGIC due December 15, 2013 (the "December 2013 Payment Shortfall"). On or about February 6, 2014, the Trustee received a payment from FGIC's fiscal agent in the amount of \$1,864,092.86 (the "Deficit Interest Related Payment"), representing 17% of the December 15, 2013 Payment Shortfall (\$10,965,252.10).

Pursuant to Section 310 of the Trust Agreement, a Special Record Date of February 5, 2014 was set with respect to the Deficit Interest Related Payment, with payment made on or about February 6, 2014, to all Holders of record as of such Special Record Date.

The Deficit Interest Related Payments were applied as set forth below:

Detroit Retirement Systems Series 2005A				
CUSIP	Insurer	Payment Date	Interest Paid	Interest per \$1,000
25113PAL9	FGIC	February 6, 2014	\$130,472.94	3.921050028
25113PAM7	FGIC	February 6, 2014	\$771,101.56	4.091050007
25113PAN5	FGIC	February 6, 2014	\$962,518.36	4.205800003

¹ As set forth in the Trustee's prior notices, under FGIC's Plan of Rehabilitation, which was approved by the New York State Supreme Court in FGIC's Rehabilitation Proceeding on June 11, 2013, and became effective on August 19, 2013, FGIC is permitted to make an initial cash payment on Permitted Policy Claims in an amount equal to the product of the then-existing cash payment percentage ("CPP") and the amount of each Permitted Policy Claim. The CPP as of the Effective Date is 17% and is subject to review and possible adjustment at least annually. The remaining amount of each Permitted Policy Claim not paid initially in cash will be satisfied through the issuance of a deferred payment obligation ("DPO"), which will accrue simple interest at a rate of 3% per annum. The Contract Administrator has filed the requisite claims in FGIC's Rehabilitation Proceeding with respect to the Payment Shortfall.

Retention of Counsel

WTNA in its capacities as Trustee and Contract Administrator has retained the law firm of Drinker Biddle & Reath LLP in connection with the Certificates and certain Events of Default.

Trustee Reservation of Rights

The Trustee expressly reserves all rights, powers and remedies in respect of each of the Transaction Documents, including without limitation its right to recover fees and costs (including, without limitation, fees and costs incurred or to be incurred by the Trustee in performing its duties, indemnities owing or to become owing to the Trustee, compensation for Trustee time spent and reimbursement for fees and costs of counsel and other agents it employs in performing its duties or to pursue remedies) to the extent permitted under the Transaction Documents or otherwise at law, and its right, prior to exercising any rights or powers in connection with the Transaction Documents at the request or direction of any Holder, to receive security or indemnity satisfactory to it against all costs, expenses and liabilities which might be incurred in compliance therewith. No delay or forbearance by the Trustee to exercise any right or remedy accruing upon the occurrence of a default, or otherwise under the terms of the Transaction Documents, other documentation relating thereto or under applicable law, shall impair any such right or remedy or constitute a waiver thereof or acquiescence therein.

Website for Accessing Certain Publicly Available Information

Certain publicly available information which may be of interest to Holders, as well as prior notices given to Holders by the Trustee, is available to Holders through a special link on the website of the Trustee's counsel. Holders wishing to access this information should go to the following web page: <http://www.drinkerbiddle.com/services/industries/Bondholders/city-of-detroit-cops-holders>.

Future Events

The Trustee will periodically communicate with all holders of the Certificates through written notice of material events of a public nature of which the Trustee has knowledge.

Communications with Trustee

If you have any questions concerning this notice, inquiries may be directed to Jay Smith at Wilmington Trust, National Association at (410) 545-2193 or jhsmith@wilmingtontrust.com or to Kristin Going at Drinker Biddle & Reath LLP at (202) 230-5177 or Kristin.Going@dbr.com or to Heath D. Rosenblat at Drinker Biddle & Reath LLP at (212) 248-3248 or Heath.Rosenblat@dbr.com. The Trustee may conclude, however, that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely on the Trustee as their sole

source of information. Holders should consult with their own professionals on matters related to the Certificates. The Trustee makes no recommendations and gives no investment advice.

Wilmington Trust, National Association, as
Successor Trustee

Dated: July 23, 2014

* The Trustee makes no representation as to the accuracy of the CUSIP numbers provided and used herein.

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