



Corporate Trust Services
60 Livingston Ave.
St. Paul, MN 55107

Notice to Holders of:

**Detroit Retirement Systems Funding Trust 2005
Certificates of Participation Series 2005-A**

[CUSIP Nos. 25113PAL9, 25113PAM7, 25113PAN5, 25113PAX3 and 25113PAY1]¹

Please forward this notice to beneficial holders.

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

Separate from its role as Trustee under the Trust Agreement, U.S. Bank National Association serves 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 below), GRS Corporation, and the PFRS Corporation.

The Certificates

The above-referenced Series 2005-A Certificates of Participation (collectively, 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 (“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

¹ The above-referenced CUSIP numbers are provided only as a convenience to the owners of the Certificates and no representation is made as to the correctness of the CUSIP numbers as printed on the Certificates or as contained in this Notice.

² Capitalized terms that appear in this Notice but are not defined herein shall have the respective meanings assigned to them in the Trust Agreement and the accompanying General Terms and Conditions dated as of May 1, 2005.

Contract dated May 25, 2005 between the City and the PFRS Corporation (collectively, the “Service Contracts”).

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

Pursuant to the Service Contracts and the Contract Administration Agreement, the City was required to remit payment to the Contract Administrator on June 14, 2013 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 \$35,266,812.

Insurance Policies

The scheduled payment of principal of and interest on the Certificates is 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”), respectively. The Contract Administrator has delivered a notice to the Insurers and the Trustee 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 attributable to the Policies issued by FGIC and approximately \$24,301,560 attributable to the Policies issued by Syncora. Syncora remitted payment to the Trustee to fund the June 15, 2013 payments for the CUSIPs guaranteed by Syncora. FGIC did not remit payment to fund the June 15, 2013 payments for the CUSIPs guaranteed by FGIC. Accordingly, payments will be made on CUSIPs on June 17, 2013 as set forth below:

CUSIP	INSURER	PRINCIPAL PAID	INTEREST PAID	Principal per \$1,000	Interest per \$1,000
25113PAL9	FGIC		0	0	0
25113PAM7	FGIC		0	0	0
25113PAN5	FGIC		0	0	0
25113PAX3	Syncora	23,105,000.00	520,209.07	1,000.00	22.5149998
25113PAY1	Syncora		676,350.68	0	22.8150002

Pursuant to Section 6.9.2 of the Trust Agreement, so long as the Policies are in effect and the Insurers are not in default thereunder, the Insurers are deemed to be holders of the Certificates equal to the principal amount insured by them and generally have the right to direct the Trustee with respect to remedial actions to be taken in response to an Event of Default.

Notice of Further Developments

The Trustee will continue to provide information concerning this matter to the holders as it becomes available.

Questions regarding any of the foregoing may be addressed to Susan Jacobsen, Vice President, U.S. Bank National Association, by mail to Mail Station EP-MN-WS1D, 60 Livingston Ave., St. Paul, MN 55107, by email at susan.jacobsen2@usbank.com or by telephone at 651-466-5864.

The Trustee may conclude 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 upon 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.

U.S. Bank National Association, as Trustee

June 17, 2013

DM_US 43296691-2.066372.0061