



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

**NOTICE TO HOLDERS OF BONDS INSURED BY  
FINANCIAL GUARANTY INSURANCE COMPANY**

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

[CUSIP Nos. 25113PAL9, 25113PAM7, 25113PAN5, 25113PAX3 and 25113PAY1\*

**TO: Beneficial Owners (“Holders”) of those certain bonds, notes, certificates, debentures or other securities (the “Insured Bonds”) insured by Financial Guaranty Insurance Company (“FGIC”)**

**THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE ABOVE REFERENCED INSURED BONDS. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RETRANSMITTAL OF THIS NOTICE TO SUCH BENEFICIAL OWNERS IMMEDIATELY. YOUR FAILURE TO ACT PROMPTLY IN COMPLIANCE WITH THIS PARAGRAPH MAY IMPAIR THE ABILITY OF THE BENEFICIAL OWNERS ON WHOSE BEHALF YOU ACT TO CONSIDER THE MATTERS DESCRIBED IN THIS NOTICE IN A TIMELY FASHION.**

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FGIC insures one or more classes of bonds, notes, certificates, debentures or other securities issued pursuant to the terms of certain indentures and related agreements (collectively referred to herein as the “Transaction Documents”), pursuant to which U.S. Bank National Association currently acts as trustee or indenture trustee (in such capacity, the “Trustee”). This notice is intended for those persons or entities that hold Insured Bonds. This notice is being issued by the Trustee, solely in its capacity as Trustee.

**Background**

As set forth in prior notices, on June 11, 2012, the Superintendent of Financial Services of the State of New York (the “Rehabilitator”) commenced a special proceeding (the “Rehabilitation Proceeding”) captioned In the Matter of the Rehabilitation of Financial Guaranty Insurance Company, Index No. 401265/2012, by filing a Verified Petition with the New York Supreme Court (the “Court”). On June 28, 2012, the Court entered an Order of Rehabilitation

(the “Rehabilitation Order”), which, among other things, directed the Rehabilitator to take such steps as necessary towards the removal of the causes and conditions that precipitated the Rehabilitation Proceeding. Since November 2009 and while the Rehabilitation Proceeding was pending, FGIC did not pay any claims made by policyholders, including claims made, if any, by the Trustee on behalf of the Holders of the Insured Bonds.

### **Approval and Effective Date of Rehabilitation Plan**

On September 27, 2012, the Rehabilitator filed a Plan of Rehabilitation for Financial Guaranty Insurance Company (as amended, the “Plan”), which included a Novation Agreement, dated as of September 14, 2012 (the “Novation Agreement”), between FGIC and National Public Finance Guarantee Corporation (“National”). On June 11, 2013, the Court signed an order (i) approving the Plan, including the Novation Agreement, and (ii) terminating the Rehabilitation Proceeding upon the effective date of the Plan, which occurred on August 19, 2013 (the “Effective Date”). Under the Plan, the following also occurred as of the Effective Date:

- i. All of FGIC’s insurance policies in force as of the Effective Date, including those covering the Insured Bonds, were modified in accordance with the terms of the Plan;
- ii. Certain of FGIC’s insurance policies covered by the Novation Agreement were transferred to and assumed by National in accordance with the terms of the Novation Agreement, and the underlying Insured Bonds related to such insurance policies are no longer insured by FGIC (a list of such covered policies can be found attached as Schedule 1 to the Novation Agreement, available at [http://www.fgicrehabilitation.com/pdflib/Novation\\_Agreement\\_FILED\\_092712.pdf](http://www.fgicrehabilitation.com/pdflib/Novation_Agreement_FILED_092712.pdf));
- iii. The Rehabilitator was discharged of all duties with respect to all matters related to the rehabilitation of FGIC;
- iv. All holders of claims against FGIC, including the Trustee, must comply with the deadlines and procedures for submitting claims to FGIC as set forth in the Plan; and
- v. All persons, including the Trustee, are permanently enjoined from taking certain actions with respect to FGIC, and its property and business, as set forth in the Plan.

The Plan approval order, the Plan, the Novation Agreement and certain other documents related to the Plan have been posted at [www.fgicrehabilitation.com](http://www.fgicrehabilitation.com). Holders may direct requests for further information or questions regarding the Plan and the related documents to (877) 308-0011 or [FGICrehab@gcginco.com](mailto:FGICrehab@gcginco.com). **THE PLAN CONTAINS OTHER TERMS THAT COULD HAVE A MATERIAL IMPACT ON HOLDERS.**

### **Payment of Claims on Insured Bonds**

In accordance with the terms of the Plan, FGIC will begin paying Permitted Policy

Claims (as defined in the Plan) on Insured Bonds no later than one hundred fifty (150) days after the Effective Date of the Plan, or January 16, 2014. The Plan calls for FGIC to make an initial cash payment on each Permitted Policy Claim in an amount equal to the product of the then-existing cash payment percentage or “CPP” (as defined in the Plan) and the amount of the Permitted Policy Claim. As of the Effective Date, the initial CPP is 17%. The CPP will be reviewed at least annually beginning in 2014 and, if necessary, adjusted upward or downward from time to time in accordance with the terms of the Plan. The remaining amount of each Permitted Policy Claim not paid initially in cash will be satisfied through the issuance of a deferred payment obligation or “DPO” (as defined in the Plan). Each DPO will accrue simple interest at a rate of 3% per year, and such accrued interest is known under the Plan as “DPO Accretion.” Payments on each DPO and with respect to DPO Accretion shall be made from time to time by FGIC in accordance with the terms of the Plan (e.g., payments are to be made after each upward adjustment of the CPP).

### **General Information**

If you have any questions with respect to this notice, you may direct such questions, in writing, to the attention of Susan E. Jacobsen, by facsimile at (651) 466-7401, or by mail addressed to U.S. Bank National Association, Corporate Trust Services, 60 Livingston Avenue, EP-MN-WS1D, St. Paul, MN 55107 or via email at: [susan.jacobsen2@usbank.com](mailto:susan.jacobsen2@usbank.com). Holders with specific questions may contact Bondholder Services either at (800) 934-6802, option #4; or at their website, located at [www.usbank.com/corp\\_trust/bondholder\\_contact.html](http://www.usbank.com/corp_trust/bondholder_contact.html).

The Trustee may conclude that a specific response to particular inquiries from an individual Holder is not consistent with equal and full dissemination of information to all Holders. Holders should not rely on the Trustee or its advisers as their sole source of information in respect to the information described herein. The foregoing is not intended and should not be construed as investment, accounting, financial, legal or tax advice by or on behalf of the Trustee, or its directors, officers, agents, attorneys or employees. Each of the Holders receiving this notice should seek the advice of their own advisers in respect of the matters set forth herein. The Trustee makes no recommendations and gives no investment, legal or tax advice to Holders. **EACH HOLDER IS STRONGLY ADVISED TO CONSULT WITH ITS OWN FINANCIAL, TAX AND/OR LEGAL ADVISORS REGARDING THESE MATTERS.**

The Trustee expressly reserves all rights, powers and remedies in respect of each of the Transaction Documents, including without limitation its right to recover its 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. The reservation effected by the preceding sentences of this paragraph shall be deemed to be included in any other communication from the Trustee whether or not such reservation (or any similar reservation) is specifically included in such communication.

U.S. Bank National Association  
As Trustee

**SEPTEMBER 20, 2013**

\* Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.

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