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FGIC Announces Settlement Agreement with UBS AG and Related Releases

April 28, 2015 – NEW YORK – Financial Guaranty Insurance Company (“FGIC”) today announced that it has entered into and consummated a settlement agreement with UBS AG (“UBS”) pursuant to which, among other things, and in consideration of a cash payment and other consideration from FGIC, FGIC and UBS mutually release each other and their respective affiliates, agents, advisors, predecessors-in-interest, successors and assigns, among others, effective as of April 27, 2015, from all claims, obligations and liabilities under, arising out of or relating to the Detroit Retirement Systems Funding Trust Certificates of Participation (the “COPs”), or the COP Swap Documents, FGIC’s Swap Insurance Policies, the COP Service Contracts, the Contract Administration Agreements, the 2005 COPs Agreement or the 2006 COPs Agreement (as amended and restated on December 10, 2014), or the COP Insurance Policies issued by FGIC (in each case as defined in the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit, dated October 22, 2014, and collectively the “Transaction Documents”), or related actions or transactions (“collectively the “COPs Transactions”). The claims released by FGIC include, among others, all such claims against UBS which had been assigned to FGIC by, respectively, (a) certain fund entities managed by Aurelius Capital Management, LP, (b) BlueMountain Distressed Master Fund L.P., BlueMountain Guadalupe Peak Fund L.P., BlueMountain Montenvers Master Fund SCA SICAV-SIF, BlueMountain Credit Alternatives Master Fund L.P., BlueMountain Credit Opportunities Master Fund I L.P., BlueMountain Kicking Horse Fund L.P., BlueMountain Strategic Credit Master Fund L.P., BlueMountain Timberline Ltd. and BlueMountain Long/Short Credit and Distressed Reflection Fund, a Sub-Fund of AAI BlueMountain Fund PLC, (c) Bronze Gable, L.L.C., (d) Deutsche Bank AG, London, (e) Dexia Credit Local and Dexia Holdings, Inc., (f) Monarch Alternative Capital LP, on behalf of funds and accounts managed by it, (g) Panning Master Fund, LP and (h) Stone Lion Capital Partners L.P., on behalf of funds and accounts managed by it (each a “Seller COPs Holder”, and such claims collectively being the “Seller UBS Claims”), in each case pursuant to an assignment agreement between FGIC and such Seller COPs Holder dated as of November 11, 2014, an unexecuted form of which was filed as Docket No. 8254 on the docket of the City of Detroit’s chapter 9 case (each an “Assignment Agreement”).

As a condition to the effectiveness of the mutual releases by UBS and FGIC, UBS also has released, with respect to those certain COPs in the aggregate amount of \$1,071,825,000 that are set forth on the executed signature pages to any of the Assignment Agreements as being beneficially held by the Seller COPs Holder party thereto (collectively the “Subject COPs”), each of the Detroit Retirement Systems Funding Trust 2005 and the Detroit Retirement Systems Funding Trust 2006 (each a “COP Trust”), each Seller COPs Holder and each of their respective affiliates, agents, advisors, investment managers and trustees, among others, from all claims, obligations and liabilities under, arising out of or relating to the COPs, the Transaction Documents or the COPs Transactions. In exchange for such release by UBS, each COP Trust provided a limited trust release to UBS respecting the Subject COPs (but not any COPs which are not



Subject COPs), which releases UBS from all of such Subject COPs' rights, title or interest in or to any Seller UBS Claims.

About FGIC

FGIC is a New York stock insurance corporation and a wholly owned subsidiary of FGIC Corporation. FGIC emerged from rehabilitation on August 19, 2013, and is responsible for administering its outstanding insurance policies in accordance with the terms of the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013. Please visit www.fgic.com.

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FORWARD-LOOKING STATEMENTS

This notice contains “forward-looking statements” – that is, statements related to possible future events. Forward-looking statements often address expectations and beliefs as to future performance, results and business plans. You should not place undue reliance on forward-looking statements because they speak only as of the date they are made and are necessarily subject to risks and uncertainties that could cause actual results and performance to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are based upon FGIC management’s current expectations and beliefs concerning future events. FGIC undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.