

Attachment I

CDS Commutation Agreement 3

EXECUTION

Dated as of: October 9, 2012

To: FGIC Credit Products LLC
and
Financial Guaranty Insurance Company
Attention: John S. Dubel
Facsimile no.: (212) 312-3221

Re: Termination Agreement

Ladies and Gentlemen:

The purpose of this termination agreement dated as of October 9, 2012 (this "**Termination Agreement**") is to set forth the terms and conditions of, and to effect, the termination in whole of (i) the derivative transaction between FGIC Credit Products LLC ("**Party A**") and [REDACTED] or "**Party B**"), [REDACTED], that makes reference to an Indenture (the "**Indenture**") dated [REDACTED], among [REDACTED], and which transaction has the trade date [REDACTED] and is defined as the "Super Senior Transaction" in the Confirmation as defined in clause (iii) below (the "**Transaction**"), (ii) the related 1992 ISDA Master Agreement, dated as of [REDACTED] (including the Schedule related thereto, the "**Master Agreement**"), between Party A and Party B, (iii) the Confirmation for Super Senior Transaction Subject to 1992 Master Agreement related thereto dated [REDACTED] (the "**Confirmation**") and (iv) the Surety Bond having a surety bond number of [REDACTED] issued by Financial Guaranty Insurance Company ("**FGIC**") in favor of Party B in connection with the Transaction (the "**Policy**" and, together with the Master Agreement and Confirmation and all other agreements between the parties hereto relating to the Transaction, the "**Transaction Documents**"). In this Termination Agreement Party A, Party B and FGIC shall each be referred to as a "**Party**" and collectively the "**Parties**." Accordingly the Parties hereby agree as follows:

1. **Termination:** Effective as of the Termination Effective Date (as defined in the following paragraph), subject to FGIC having paid the Payment Amount (as defined in Section 2 below) but without need for any further action, the Transaction, the Transaction Documents and the respective rights, obligations and liabilities of Party A, Party B and FGIC and of their respective affiliates, successors, regulators, stockholders, directors, officers, employees, advisors and agents under or arising out of any of the Transaction Documents or otherwise relating to the Transaction (other than to the extent specifically excepted in the following sentence) are hereby mutually terminated and discharged, and each Party hereby irrevocably and unconditionally releases and fully discharges each other Party and its affiliates, successors, regulators, stockholders, directors, officers, employees, advisors and agents from all obligations, claims and liabilities of any kind or nature, and whether based in contract, tort or otherwise, directly or indirectly under or arising out of

any of the Transaction Documents or otherwise relating to the Transaction (other than to the extent specifically excepted in the following sentence), whether now existing or hereafter arising, and whether known or unknown. Subject to Section 11, each Party hereby acknowledges and agrees that from and after the Termination Effective Date, except with respect to the payment obligation of FGIC set forth in Section 2 below and the respective representations, warranties and other agreements of the Parties expressly set forth in this Termination Agreement, and notwithstanding anything to the contrary set forth in any of the Transaction Documents, no payments, fees or other amounts of any nature whatsoever (including without limitation any Party A Payment Amount, Party B Payment Amount, Net Senior Credit Protection Payment, Super Senior Facility Fee, Issuer Reimbursement Payment, Super Senior Interest Amount, Make-Whole Amount or Unpaid Amount (in each case as defined in the Confirmation), any Preference Amount (as defined in the Policy), any other fixed or floating amount or other credit protection premium payment or credit protection payment, or any mark-to-market termination payment, other make-whole or termination payment or other payment, fee or amount, however so described (all of the foregoing payments, fees and other amounts (not including the Payment Amount) collectively being "**CDS Payments**") or other deliveries or obligations are or will thereafter be owed to it by any other Party under or in connection with any of the Transaction Documents or otherwise in connection with the Transaction. Accordingly, effective as of the Termination Effective Date, subject to FGIC having paid the Payment Amount to Party B in accordance with the payment instructions included in Section 2 below, the Policy is hereby cancelled, and Party B shall promptly return the Policy to FGIC; provided, however, that any failure to so return the Policy shall not affect its cancellation hereunder (provided that FGIC has paid the Payment Amount to Party B).

"Court" means the Supreme Court of the State of New York, County of New York.

"Court Order" means an order of the Court issued in the Proceeding approving the consummation of the transactions contemplated by this Termination Agreement, including FGIC's payment of the Payment Amount as described in Section 2 below.

"Proceeding" means the rehabilitation proceeding for FGIC pursuant to Article 74 of the New York Insurance Law ("Article 74") currently pending before the Court, captioned as In the Matter of the Rehabilitation of Financial Guaranty Insurance Company, Index No. 401265/2012, as such proceeding may be converted to a liquidation pursuant to Article 74.

"Rehabilitator" means the Superintendent of Financial Services of the State of New York, as rehabilitator of FGIC appointed pursuant to the Order of Rehabilitation signed by the Honorable Doris Ling-Cohan of the Court on June 28, 2012.

"Termination Effective Date" means the latest to occur of (i) the date of the Court Order, (ii) the date, if any, specified in the Court Order for the consummation of the transactions contemplated by this Termination Agreement, including FGIC's payment of the Payment Amount as described in Section 2 below, and (iii) the date on which the conditions, if any, specified in the Court Order for the consummation of the transactions contemplated by this Termination Agreement (including FGIC's payment of the Payment Amount as described in Section 2 below) are satisfied or waived, as applicable.

2. **Payment Obligation:** In consideration of the terminations, discharges and releases effected by Section 1 hereof, subject to the Termination Effective Date having occurred, FGIC will pay to Party B, no later than one business day after the Termination Effective Date has occurred, an aggregate amount equal to \$8,150,000 (such amount being the "Payment Amount") in immediately available funds to the account set forth for Party B below:

Bank:	[REDACTED]
ABA #:	[REDACTED]
Swift:	[REDACTED]
Account Name:	[REDACTED]
Account #:	[REDACTED]
Ref:	[REDACTED]

The Parties acknowledge that the aggregate gross par amount in force with respect to the Policy as of [REDACTED], is \$180,889,495.

3. **Confidentiality:** Each Party hereby agrees not to disclose, including via oral statement or press release, or allow any other person to disclose, to any person the amount of the Payment Amount with reference to the Transaction. Notwithstanding the foregoing, each Party may make such disclosure (i) to its affiliates, stockholders, directors (and their respective attorneys), officers, employees, auditors, attorneys, agents, representatives, consultants and other professional advisors (collectively, "**Representatives**"), in each case only if such Party shall have informed each such Representative of the confidential nature of such information and shall be liable for any failure of such Representative to keep such information confidential as required hereunder; (ii) as required by any statute, law, rule or regulation or judicial process; (iii) to any government agency or regulatory body having actual or asserted authority to regulate or oversee such Party's business or that of its affiliates, and to the counsel and professional advisors of any such agency or body, in each case to the extent required or requested by them or if such Party determines it is advisable to provide them with such information, and in each case if such Party informs them of the confidential nature of such information and requests that they maintain its confidentiality; (iv) pursuant to any subpoena, civil investigative demand or similar demand, or in response to any request of any court, regulatory authority, arbitrator or arbitration to which a Party or an affiliate or an officer, director, employer or shareholder thereof is a party; (v) in the case of FGIC, in connection with the Proceeding to, among other things, obtain the Court Order or the approval and consummation of any plan or other actions relating thereto; and (vi) in connection with any action to enforce this Termination Agreement or any provision of this Termination Agreement or in connection with any proceeding, including steps leading to a potential proceeding, that might involve this Termination Agreement or any provision of this Termination Agreement.

4. **Representations:** Each Party hereby represents and warrants to the other Parties as of the date hereof and as of the Termination Effective Date that:

- (i) it is duly organized and validly existing and in good standing (except, in the case of FGIC, if and to the extent any adverse effect has resulted or results from the commencement of the Proceeding) under the laws of the jurisdiction of its organization with full power and authority to execute and deliver, and to perform and observe the terms and provisions of, this Termination Agreement;
- (ii) the execution, delivery, performance and observance of this Termination Agreement by such Party have been duly authorized by all necessary action on the part of such Party, do not and will not conflict with, or result in a violation of, any law applicable to it, and do not require it to obtain any permit, consent, approval, order or authorization of, or provide notice to or make a filing with, any court or governmental or regulatory agency (including, without limitation, in the case of Party A and FGIC, the Rehabilitator or his designee) that has not been obtained, provided or made, as applicable, except, in the case of FGIC, FGIC's obligation to pay the Payment Amount and performance of its obligations contemplated to occur on the Termination Effective Date are in all respects subject to the Court Order having been issued and remaining in force and any conditions therein having been satisfied or waived pursuant to the terms of the Court Order;
- (iii) this Termination Agreement is the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));
- (iv) it is sophisticated and has specific knowledge of and experience with structures involving (w) insured and uninsured asset-backed securities, (x) derivative instruments, (y) issuers and investment funds whose assets consist principally of insured and uninsured asset-backed securities, derivative instruments, bonds, loans and/or other types of financial assets and (z) other instruments similar to the Transaction Documents and the Reference Obligation (as defined in the Policy) or the Super Senior Facility Agreement (as defined in the Indenture);
- (v) in the case of Party B, (w) it is the only beneficiary with any right, title or interest in, to or under any Transaction Documents or otherwise with respect to the Transaction, (x) it has not transferred, sold, pledged or assigned, in whole or in part, any such right, title or interest, (y) it will not transfer, sell, pledge or assign, in whole or in part, any such right, title or interest on or before the Termination Effective Date, and (z) the Confirmation for Super Senior Transaction subject to 1992 Master Agreement dated [REDACTED] between Party B and [REDACTED] memorializing the "Super Senior Transaction" as defined therein has not been terminated as of the date of this Termination Agreement; and

- (vi) in the case of Party A and FGIC, upon payment of the Payment Amount, they shall be deemed to have represented and warranted to Party B that the Court Order shall have been issued and any conditions therein shall have been satisfied or waived pursuant to the terms of the Court Order, as applicable.

5. **Acknowledgements:** Each Party acknowledges that each other Party may have had access to certain information relating to the Transaction Documents, the Reference Obligation or the Super Senior Facility Agreement (as defined in the Indenture), the Indenture (and the parties to the Indenture) or other documents relating to the Reference Obligation or the Super Senior Facility Agreement, other parties with respect to the transactions to which the Reference Obligation or the Super Senior Facility Agreement relate, and the assets included in such transactions which is not available to the other Parties or other holders of securities issued in such transactions. In addition, each Party hereby acknowledges that each other Party may be in possession of other material information (concerning such other Party or otherwise) which such other Party has not disclosed to such first Party. Nonetheless, each Party hereby acknowledges and agrees that it has had access to such financial, operating and other information concerning the Transaction Documents, the Reference Obligation or the Super Senior Facility Agreement, the Indenture (and the parties to the Indenture) or other documents relating to the Reference Obligation or the Super Senior Facility Agreement, other parties with respect to the transactions to which the Reference Obligation or the Super Senior Facility Agreement relate, the assets included in such transactions and the other Parties as it deems necessary and appropriate to make an informed decision with respect to this Termination Agreement, including an opportunity to make such inquiries of and request information from the other Parties. Each Party is represented by, and has consulted with, its own legal and other advisors to the extent it has deemed necessary. All costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred by or on behalf of any Party in connection with the preparation of this Termination Agreement and any related agreements or documents shall be the responsibility of such Party and no other Party.

6. **No Admission of Liability:** The Parties hereby acknowledge and agree that this Termination Agreement is entered into for the sole purpose of resolving and compromising all pending and potential claims. It is hereby expressly agreed and acknowledged that neither the execution nor performance of any of the terms of this Termination Agreement shall constitute or be construed as an admission by any of the Parties of any liability for any claims or any indication that any claims or allegations made against any Party have any merit, and this Termination Agreement shall not be admissible in any action, other than the Proceeding to obtain the Court's approval of the transactions contemplated hereby and any action to enforce the terms hereof.

7. **Entire Agreement:** This Termination Agreement constitutes the entire agreement and understanding of the Parties with respect to the subject matter hereof.

8. **Governing Law:** This Termination Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to its conflict of laws doctrine.

9. **Jurisdiction; Trial by Jury Waived:** Any litigation arising directly or indirectly out of, under or in connection with this Termination Agreement or any of the transactions contemplated hereunder shall be commenced and maintained solely in a state or federal court located in New York City, New York, in the United States of America and each Party hereby expressly and irrevocably submits to the exclusive jurisdiction of such courts in New York, New York and waives any claim of forum non conveniens or any other jurisdiction to which it may be entitled by virtue of its present or future domicile or otherwise. Each Party hereby waives, to the fullest extent permitted by law, any right to a trial by jury in respect of any litigation arising directly or indirectly out of, under or in connection with this Termination Agreement or any of the transactions contemplated hereunder.

10. **Standstill:** Unless and until this Termination Agreement is terminated in accordance with Section 11 below, each Party hereby agrees that, notwithstanding anything to the contrary contained in any of the Transaction Documents, commencing on the date of this Termination Agreement, no CDS Payment of any kind shall be payable by any Party, and no Party may make any claim or demand on or against any other Party for or based on any CDS Payment of any kind or designate any Early Termination Date or otherwise directly or indirectly exercise or seek to exercise any other acceleration, liquidation, close out or termination right or remedy, in any such case under any of the Transaction Documents or otherwise in connection with the Transaction at any time, under any circumstance, upon the occurrence or during the continuance of any event or condition or otherwise.

11. **Termination of Agreement:** (A) This Termination Agreement may, at the option of Party B, be terminated by Party B giving not less than ten days' prior written notice to Party A and FGIC at any time after the earlier to occur of (i) October 31, 2013, unless the Court Order shall have been (or, after delivery of any such notice, is) issued on or before the Termination Agreement Termination Date (as defined in paragraph (C) of this Section 11), or (ii) the issuance by the Court in the Proceeding of a final, non-appealable order disapproving the consummation of the transactions contemplated by this Termination Agreement, provided in any such case that the provisions of paragraph (C) of this Section 11 shall survive any such termination. If the Court so issues any such order, Party A or FGIC will notify Party B of such issuance promptly upon obtaining knowledge thereof.

(B) This Termination Agreement may, at the option of Party A and FGIC, be terminated by Party A and FGIC giving not less than ten days' prior written notice to Party B at any time after the earlier to occur of (i) the last day of the eighteen month period commencing on the date of this Termination Agreement, unless the Court Order shall have been (or, after delivery of any such notice, is) issued on or before the Termination Agreement Termination Date, or (ii) the issuance by the Court in the Proceeding of a final, non-appealable order disapproving the consummation of the transactions contemplated by this Termination Agreement, provided in any such case that the provisions of paragraph

(C) of this Section 11 shall survive any such termination. If the Court so issues any such order, Party A or FGIC will notify Party B of such issuance promptly upon obtaining knowledge thereof.

(C) Notwithstanding anything to the contrary contained herein, in the event that this Termination Agreement terminates pursuant to this Section 11, as of the effective date of such termination (the "**Termination Agreement Termination Date**") (i) the terms, conditions and provisions of this Termination Agreement (other than this paragraph) shall have no further force or effect and (ii) the Parties shall automatically be restored in all respects to their respective positions, and have restored to them all of their respective rights, remedies and obligations, under the Transaction Documents and otherwise relating to the Transaction in each case as such positions, rights, remedies and obligations existed as of the date prior to the date of this Termination Agreement as if this Termination Agreement had not been executed and delivered, but giving effect to any events, circumstances, conditions, actions or inactions that occurred or arose after the date of this Termination Agreement and are continuing on the Termination Agreement Termination Date (other than any non-payment of any CDS Payment, subject to compliance with the following sentence). Within five days following the Termination Agreement Termination Date, Party B shall pay to Party A the aggregate amount of Super Senior Facility Fees accrued under the Confirmation since the last Party B Payment Date (as defined in the Confirmation) occurring prior to the date of this Termination Agreement.

12. **Counterparts; Construction:** This Termination Agreement may be executed and delivered in counterparts (including by electronic messaging system or facsimile transmission), each of which shall be deemed an original. This Termination Agreement has been drafted and reviewed jointly by the Parties and their counsel, and no presumption of construction shall be applied in favor of or against any of the Parties. Further, prior drafts of this Termination Agreement or the fact that any clauses have been added, deleted or otherwise modified from any prior drafts of this Termination Agreement shall not be used as an aide of construction or otherwise constitute evidence of the intent of the Parties; and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of such prior drafts.

13. [REDACTED] Party A and FGIC hereby acknowledge and agree that all agreements, releases, representations, warranties and covenants made by [REDACTED] in this Termination Agreement and any agreements ancillary hereto are not made by [REDACTED] in its capacity as [REDACTED] for any person or entity (including, for avoidance of doubt, in its capacity as [REDACTED] [REDACTED]) and, accordingly, such agreements, releases, representations, warranties and covenants shall be inapplicable to [REDACTED] (or any of its affiliates) when acting in its capacity as a [REDACTED] (including as [REDACTED]).

14. **Interpretation:** For purposes of this Termination Agreement, the words "hereof," "herein," "hereby" and other words of similar import refer to this Termination Agreement as a whole unless otherwise indicated, and the word "including" shall be read to mean "including without limitation." Whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate. All terms defined herein in the singular shall have the same

meaning when used in the plural; all terms defined herein in the plural shall have the same meaning when used in the singular.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have caused this Termination Agreement to be duly executed and effective as of the date first above written.

Yours sincerely,

[REDACTED]

By:

[REDACTED]

Confirmed and agreed as of the date first above written:

FGIC CREDIT PRODUCTS LLC

By:

Laura L. Keeg
Name: *Laura L. Keeg*
Title: *Assistant Secretary*

FINANCIAL GUARANTY INSURANCE COMPANY,
the Credit Support Provider

By: BENJAMIN M. LAWSKY

Superintendent of Financial Services of the State of New York, as Rehabilitator of
Financial Guaranty Insurance Company

By: *Peter A. Giacone*

Name: Peter A. Giacone

Title: Chief Financial Officer
and Agent of Benjamin M.
Lawskey, Superintendent of
Financial Services of the State of
New York, as Rehabilitator of Financial
Guaranty Insurance Company