

Joinder Agreement

This joinder agreement (this “Joinder Agreement”) to the Transaction Support Agreement, dated as of February 29, 2024 (as amended, supplemented, or otherwise modified from time to time, the “Transaction Support Agreement”), entered into by and among Financial Guaranty Insurance Company (the “Company”) and certain legal and/or beneficial holders of certain (a) FGIC-insured Instruments, (b) Units, (c) Holder Equity Interests, and (d) other Claims, that are signatories to such Transaction Support Agreement (each, a “Holder”), is executed and delivered by [●] (the “**Joining Party**”) as of [●], 2024. Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the Transaction Support Agreement.

1. **Agreement to be Bound.** The Joining Party hereby agrees to be bound by, and comply with, all of the terms of the Transaction Support Agreement, including the Term Sheet, a copy of which is attached to this Joinder Agreement as Annex I (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be a “Holder” and “Party” for all purposes under the Transaction Support Agreement and with respect to any and all (a) FGIC-insured Instruments, (b) Units, (c) Holder Equity Interests, and (d) other Claims, legally and/or beneficially held by such Joining Party.

2. **Joinder to Affidavit.** By signing this Joinder Agreement, the Joining Party hereby agrees to join any affidavit filed pursuant to Section 4(b)(6) of the Transaction Support Agreement, whether filed before or after the date of this Joinder Agreement.

3. **Representations and Warranties.** By signing this Joinder Agreement, the Joining Party hereby makes the representations and warranties of a Party or Holder, as applicable, as set forth in Section 7 of the Transaction Support Agreement to each other Party to the Transaction Support Agreement.

4. **Governing Law.** This Joinder Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

[Signature Page Follows.]

JOINING PARTY:

[•]

By: _____

Name:

Title:

Address:

Attn.:

Email:

Facsimile:

Original Principal Amount of FGIC-insured Instruments Held Legally and/or Beneficially:	[\$•]
Notional Amount of Units Held Legally and/or Beneficially:	[\$•]
Nature and Number of Shares of Holder Equity Interests Held Legally and/or Beneficially:	[•]

ANNEX 1

Transaction Support Agreement, including Term Sheet

TRANSACTION SUPPORT AGREEMENT

This TRANSACTION SUPPORT AGREEMENT (as amended, supplemented, or otherwise modified from time to time, and including the exhibits hereto, this “Agreement”), dated as of February 29, 2024, is entered into by and among Financial Guaranty Insurance Company (“FGIC” or the “Company”) and the undersigned legal and/or beneficial holders and/or investment managers to any legal and/or beneficial holders (the “Initial Holders” and, together with any legal and/or beneficial holders and/or investment managers to any legal and/or beneficial holders that subsequently become party hereto in accordance with the terms hereof, each a “Holder,” and such Holders together, the “Group”) of certain (a) FGIC-insured Instruments, (b) Units, (c) Holder Equity Interests (as defined herein), and/or (d) other Claims. The Company and each Holder are referred to herein as the “Parties” and each individually as a “Party.”

Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Term Sheet (as defined herein).

RECITALS:

WHEREAS, on June 28, 2012, the Company commenced the Rehabilitation Proceeding (as defined herein);

WHEREAS, on June 11, 2013, the Rehabilitation Court (as defined herein) entered an order approving the Plan (as defined herein), and on August 19, 2013, the Plan became effective and the Company emerged from the Rehabilitation Proceeding;

WHEREAS, as of the date of this Agreement, the Initial Holders are the legal and/or beneficial holders of those certain FGIC-insured Instruments, Units, Holder Equity Interests, and other Claims in the respective amounts (where applicable) set forth on each Initial Holder’s signature page to this Agreement;

WHEREAS, the Parties have engaged in good faith and arm’s-length negotiations regarding a series of transactions providing for the commutation, settlement, termination, and cancellation of all Covered Policies and Covered Policy Liabilities, including the DPOs and DPO Accretion Amounts, in each case as defined in the Plan (the “Transactions”);

WHEREAS, consequently, the Parties have agreed to the terms and conditions set forth in the term sheet attached hereto as Exhibit A (the “Term Sheet”), which provides the key terms for the Transactions that result in, among other things, the satisfaction in full and discharge and cancellation of all Covered Policies and Covered Policy Liabilities, to be implemented pursuant to the Amended Plan to be approved by the Rehabilitation Court in a reopened Rehabilitation Proceeding; and

WHEREAS, the Parties have agreed to support the Amended Plan on the terms and conditions set forth herein and in the Term Sheet.

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT:

Section 1. Definitions. The following terms shall have the meanings specified below:

(a) “Business Day” means any day other than Saturday, Sunday, and any day that is a legal holiday or a day on which banking institutions in New York, New York are required or authorized by law or governmental action to close.

(b) “Company Termination Event” has the meaning set forth in Section 11.

(c) “Early Joinder Fee” means, in respect of each Early Joining Holder, a cash fee in an amount calculated as 1.497% of such Holder’s share of the aggregate Initial Permitted Policy Distributions to be paid on account of Covered Policies related to FGIC-insured Instruments and Units legally and/or beneficially owned by such Holder as of the Early Joinder Fee Deadline.

(d) “Early Joinder Fee Deadline” means a date and time determined and announced by the Company.

(e) “Early Joining Holder” means a Holder who (1) delivers to the Company a signature page to this Agreement or a Joinder by the Early Joinder Fee Deadline, (2) is not in breach of this Agreement as of the Effective Date, and (3) remains a Party to this Agreement on the Effective Date.¹

(f) “Final Order” means an order or judgment of a court of competent jurisdiction entered on the docket maintained by the clerk of such court that has not been reversed, vacated, or stayed and as to which (1) the time to appeal, petition for *certiorari*, or move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceedings for a new trial, reargument, or rehearing shall then be pending, or (2) if an appeal, petition for *certiorari*, new trial, reargument, or rehearing thereof has been sought, (i) such order or judgment shall have been affirmed by the highest court to which such order was appealed, leave to appeal or *certiorari* shall have been denied, or a new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order or otherwise been dismissed with prejudice, and (ii) the time to take any further appeal, petition for *certiorari*, or move for a new trial, reargument, or rehearing shall have expired; provided, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, Rule 5015 of the New York Civil Practice Law and Rules, or any analogous rule, may be filed relating to such order shall not prevent such order from being a Final Order.

(g) “Holder Equity Interests” means the interests in any equity securities of FGIC or FGIC Corporation (“FGIC Corp.”) represented by any issued and outstanding shares of stock or other instrument evidencing any ownership interest in FGIC or FGIC Corp., whether or not transferable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest, or any beneficial interest in any trust that owns or holds any of the foregoing.

¹ For the avoidance of any doubt, a Holder may remain party to this Agreement even if it Transfers any or all of its Interests prior to the Effective Date.

For the avoidance of doubt, Holder Equity Interests shall include all classes and types of stock, including any preferred stock, issued by FGIC or FGIC Corp. and outstanding as of the Effective Date.

(h) “Holder Termination Event” has the meaning set forth in Section 9.

(i) “Initial Holders’ Counsel” means a nationally recognized firm with experience in the matters described in this Agreement reasonably acceptable to the Company; provided, that for the avoidance of doubt, the Company hereby acknowledges that White & Case LLP is acceptable to the Company as Initial Holders’ Counsel.

(j) “Interests” has the meaning set forth in Section 8.

(k) “Joinder” means the joinder attached as Exhibit B to this Agreement.

(l) “Lock-Up Fee” means a cash fee in the aggregate amount of \$27,000,000.

(m) “Lock-Up Fee Instructions” means the instructions provided pursuant to Section 6(a).

(n) “NYSDFS” means the New York State Department of Financial Services.

(o) “Plan” means that certain *First Amended Plan of Rehabilitation for FGIC*, dated June 4, 2013, and together with all schedules and exhibits thereto.

(p) “Plan Approval Order” means a Final Order by the Rehabilitation Court approving the Amended Plan.

(q) “Qualified Marketmaker” means an entity that (1) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Interests (or enter with customers into long and short positions in Interests), in its capacity as a dealer or marketmaker in the Interests and (2) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

(r) “Regulator” means each of: (1) the Rehabilitator; (2) the NYSDFS; (3) the Rehabilitation Court; and (4) with respect to any Party, a regulatory authority with jurisdiction over the operations of such Party.

(s) “Rehabilitation Court” means the Supreme Court of the State of New York, County of New York.

(t) “Rehabilitation Proceeding” means the legal proceeding commenced in the Rehabilitation Court on June 28, 2012 governing the rehabilitation of the Company, styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012, including as reopened as contemplated by this Agreement and the Term Sheet.

(u) “Rehabilitator” means the Superintendent of Financial Services of the State of New York, as the court-appointed rehabilitator of the Company in the Rehabilitation Proceeding.

(v) “Rehabilitation Petition” means the petition to the Rehabilitation Court filed by the Rehabilitator seeking (1) to reopen the Rehabilitation Proceeding and (2) the appointment of the Rehabilitator to serve in such capacity in the Rehabilitation Proceeding.

(w) “Requisite Holder Confirmation” means the written list of holdings of the relevant Initial Holders consenting to an amendment or waiver pursuant to Section 9 or Section 11 of this Agreement, as applicable, as provided by Initial Holders’ Counsel to the Company on the relevant date, or in the case of Holders, as determined by the Company.

(x) “Requisite Holders” means (1) Initial Holders that, as of the date of the respective Requisite Holder Confirmation, in the aggregate, are entitled to receive, pursuant to the Amended Plan, at least 50% of the aggregate Permitted Policy Distributions to be paid on account of Covered Policies related to FGIC-insured Instruments and Units legally and/or beneficially owned by the Initial Holders as a whole as of such date, or (2) if there are no Initial Holders party to this Agreement, or if the Initial Holders have transferred their Interests such that they no longer are entitled to receive Permitted Policy Distributions, Holders that, as of the date of the respective Requisite Holder Confirmation, in the aggregate, are entitled to receive, pursuant to the Amended Plan, at least 50% of the aggregate Permitted Policy Distributions to be paid on account of Covered Policies related to FGIC-insured Instruments and Units legally and/or beneficially owned by the Holders as a whole as of such date, in each case as set forth in the Requisite Holder Confirmation.

(y) “Requisite Supermajority Confirmation” means the written list of holdings of the relevant Initial Holders providing consent, terminating, providing notice, waiving, or amending pursuant to Section 3, Section 9, Section 12, Section 13, or Section 15 of this Agreement, as applicable, as provided by Initial Holders’ Counsel to the Company on the relevant date, or in the case of Holders, as determined by the Company.

(z) “Requisite Supermajority of Holders” means (1) Initial Holders that, as of the date of the respective Requisite Supermajority Confirmation, in the aggregate, are entitled to receive pursuant to the Amended Plan, at least 66 2/3% of the aggregate Permitted Policy Distributions to be paid on account of Covered Policies related to FGIC-insured Instruments and Units legally and/or beneficially owned by the Initial Holders as a whole as of such date, or (2) if there are no Initial Holders party to this Agreement, or if the Initial Holders have transferred their Interests such that they no longer are entitled to receive Permitted Policy Distributions, Holders that, as of the date of the respective Requisite Supermajority Confirmation, in the aggregate, are entitled to receive pursuant to the Amended Plan, at least 66 2/3% of the aggregate Permitted Policy Distributions to be paid on account of Covered Policies related to FGIC-insured Instruments and Units legally and/or beneficially owned by the Holders as a whole as of such date, in each case as set forth in the Requisite Supermajority Confirmation.

(aa) “Representatives” means a person’s or entity’s former and current officers, directors, members, managers, partners, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, and other professionals, each solely in its capacity as such.

(bb) “Signing Date” means the date of this Agreement.

(cc) “Termination Notice” has the meaning set forth in Section 9.

(dd) “Transfer” has the meaning set forth in Section 8.

Section 2. Term Sheet. The Term Sheet is expressly incorporated herein and made a part of this Agreement.

Section 3. Good Faith Cooperation. The Parties hereby covenant and agree to cooperate with each other in good faith and, except as otherwise expressly contemplated hereby, shall exercise commercially reasonable efforts to negotiate, draft, pursue, seek approval of, implement, and consummate the Amended Plan and the Plan Approval Order. Each of the Amended Plan (and any amendments, modifications, or supplements thereto) and the Plan Approval Order shall be consistent with the Term Sheet in all material respects (including the Permitted Policy Distributions therein)² and in a form reasonably acceptable to (a) the Company and (b) the Requisite Supermajority of Holders as of the date of such acceptance, as set forth in the relevant Requisite Supermajority Confirmation, with such acceptance confirmed in writing (email shall suffice) to the Company by the Initial Holders’ Counsel.

Section 4. Support for the Amended Plan.

(a) So long as this Agreement has not been terminated in accordance with its terms, the Company agrees and covenants that it will use commercially reasonable efforts to take or cause to be taken all actions commercially reasonable, necessary, appropriate, and within its control to obtain approval of the Amended Plan and entry of the Plan Approval Order, including:

(1) to assist the Rehabilitator in:

(i) filing the Rehabilitation Petition and reopening the Rehabilitation Proceeding;

² For the avoidance of any doubt, any reduction to any Permitted Policy Distribution related to any Covered Instrument that is greater than the lesser of (i) two (2) percent of such Permitted Policy Distribution or (ii) \$100,000, shall be considered a “material” alteration for all purposes under this Agreement, provided that any reduction less than \$25,000 and any increase to any Permitted Policy Distribution with respect to a Covered Instrument shall not be considered a “material” alteration for all purposes under this Agreement and provided, further, that a reduction to the Permitted Policy Distributions by an aggregate amount greater than \$7,500,000 shall be considered a “material” alteration for all purposes of this Agreement (the “Materiality Threshold”). For the avoidance of doubt, only FGIC shall be permitted to make changes with respect to the amount of any Permitted Policy Distribution.

(ii) filing the Amended Plan and a motion for entry of the Plan Approval Order with the Rehabilitation Court and seeking Rehabilitation Court approval thereof; and

(iii) seeking to satisfy any and all conditions precedent to the Group's obligations to consummate the Transactions contemplated by the Amended Plan, as set forth in the Term Sheet;

(2) to defend in good faith, or assist in the defense of, any suit or other legal or administrative proceeding seeking to interfere with, impair, or impede approval or implementation of the Amended Plan;

(3) to the extent necessary to facilitate the approval or implementation of the Amended Plan (including CUSIP-level allocations of Permitted Policy Distributions), the Company shall seek to exercise the FGIC Rights, if any, that it has to amend any trust documents or related transaction documents or agreements; provided, that the Company shall not be obligated to provide any indemnification in connection therewith, other than as expressly set forth in the Term Sheet;

(4) to request each Trustee of all FGIC-insured Instruments and Units to (i) not object to the Amended Plan and (ii) comply with the terms of the Amended Plan and the Plan Approval Order, which shall expressly provide for the Permitted Policy Distribution allocations specified in Annex 1 to the Term Sheet; provided, that the Company shall not be obligated to provide any indemnification in connection therewith, other than as expressly set forth in the Term Sheet;

(5) to request the Rehabilitator to provide a copy of any substantive pleading to be filed with the Rehabilitation Court to the Initial Holders' Counsel at least three (3) Business Days prior to such filing and to consult with the Initial Holders' Counsel with respect to such pleadings;

(6) to not directly or indirectly seek, solicit, support, or formulate any plan, sale, offer of winding up, liquidation, reorganization, merger, consolidation, dissolution, or restructuring of the Company, or any settlement offer or alternative transaction for or involving the Policy Claims, other than the Amended Plan, or directly or indirectly seek, solicit, support, or encourage any person or entity to do any of the foregoing;

(7) to not object to, nor otherwise commence any proceeding to oppose, approval and implementation of the Amended Plan or any portion thereof, or directly or indirectly seek, solicit, support, or encourage any person or entity to do any of the foregoing; and

(8) to implement the Amended Plan in accordance with its terms and the terms of the Plan Approval Order, including to ensure Permitted Policy Distributions are made in accordance with Annex 1 to the Term Sheet.

(b) So long as this Agreement has not been terminated in accordance with its terms, each Holder agrees and covenants that:

(1) it shall, upon the Effective Date, accept the consideration distributed pursuant to the Amended Plan in full satisfaction and discharge of its interests in Claims arising during or relating to the period prior to and including the Effective Date and Policy Claims whenever arising, but for the avoidance of doubt, excluding Holder Equity Interests and any Claims subject to the Equity Carveout;

(2) it shall not, directly or indirectly, vote for, consent to, seek, solicit, support, or participate in the formulation of any plan, sale, offer of winding up, liquidation, reorganization, merger, consolidation, dissolution, or restructuring of the Company, or any settlement offer or alternative transaction for or involving any Claims, including Policy Claims, or Holder Equity Interests, other than the Amended Plan, or directly or indirectly seek, solicit, instruct, support, or encourage any Person (including any Trustee) to do any of the foregoing;

(3) it shall not object to, nor otherwise commence any proceeding to oppose, the reopening of the Rehabilitation Proceeding or approval and implementation of the Amended Plan or any portion thereof, or directly or indirectly seek, solicit, support, or encourage any Person to do any of the foregoing;

(4) it shall not instruct nor direct any other Person, including any Trustee, to exercise any right or remedy for the enforcement, collection, or recovery of any Policy or Claim or Holder Equity Interest in a manner inconsistent with the Amended Plan or the Plan Approval Order;

(5) it shall, with respect to all the FGIC-insured Instruments and Units legally and/or beneficially held by such Holder, take, or request the legal owners of such Instruments and Units to take, as applicable, all commercially reasonable efforts to request each Trustee of all such FGIC-insured Instruments and Units to (i) not object to the Amended Plan, and (ii) comply with the terms of the Amended Plan and the Plan Approval Order;³ provided, that no such Holder shall be obligated to provide any indemnification in connection therewith;

(6) by signing this Agreement, it hereby authorizes the Company to disclose to the NYSDFS, the Rehabilitator or the Rehabilitation Court, as the case may be, the aggregate amount and nature of the holdings of the Holders and, if reasonably requested by the Company, an affidavit from Initial Holders' Counsel describing the support of the Initial Holders for the Amended Plan, including the aggregate holdings of the Initial Holders, in form and substance reasonably acceptable to the Company and the Initial Holders, which affidavit may be submitted to the NYSDFS and/or the Rehabilitator and/or filed with the Rehabilitation Court; and

(7) it shall promptly provide, upon reasonable request by the Company and/or its advisors, through counsel (if applicable), details, including amounts (to the extent available), of all (i) FGIC-insured Instruments, (ii) Units, (iii) Holder Equity Interests, and (iv) other Claims, legally and/or beneficially held by it, as of the date specified in the request.

³ For the purposes of this Section 4(b)(5), commercially reasonable efforts shall include delivering a letter of support to each relevant Trustee requesting that such Trustee not object to the Amended Plan and comply with the terms of the Amended Plan and the Plan Approval Order.

Section 5. Early Joinder Fee.

(a) Subject to the occurrence of the Effective Date, the Company shall pay the Early Joinder Fee to each Early Joining Holder, which fee shall be paid on, or as soon as practicable after, the Effective Date.

(b) The Company shall calculate the amount of Early Joinder Fee to be paid to each Early Joining Holder under this Section 5 five (5) Business Days following the Early Joinder Fee Deadline on the basis of the information provided to the Company by such Early Joining Holder regarding its holdings of FGIC-insured Instruments or Units as of the Early Joinder Fee Deadline, taking into account any valid Transfers that occurred on or prior to the Early Joinder Fee Deadline.

Section 6. Lock-Up Fee.

(a) Subject to the occurrence of the Effective Date, the Company shall pay the Lock-Up Fee to the Initial Holders, which fee shall be paid on the Effective Date and shall be allocated among and distributed to each Initial Holder or such Initial Holder's designee in the amounts as directed by the Initial Holders' Counsel in writing (the "Lock-Up Fee Instructions") delivered to the Company no later than ten (10) Business Days prior to the Effective Date; provided, that in order to receive its share of the Lock-Up Fee, each Initial Holder (1) must not be in breach of this Agreement as of the Effective Date, which breach remains uncured ten (10) Business Days after the receipt by the breaching Initial Holder and Initial Holders' Counsel of written notice of such breach from the Company and (2) must not have had this Agreement terminated as against such Initial Holder by the Company.

(b) The Company may rely on the Lock-Up Fee Instructions provided by the Initial Holders' Counsel and shall not be held liable in connection with the allocation or distribution of the Lock-Up Fee to the Initial Holders as long as the Company complies with the Lock-Up Fee Instructions.

(c) If, pursuant to Section 6(a), one or more Initial Holders is not entitled to receive its share of the Lock-Up Fee, then such Initial Holder(s)' share of the Lock-Up Fee shall revert to the Company.

(d) To the extent that during the period between the Signing Date and the Effective Date, the Company enters into a transaction in which it (i) provides any fee or other consideration to holders of Preferred Stock (other than to the Initial Holders) in relation to, or in connection with, such holders' Preferred Stock or (ii) offers to repurchase, redeem or conduct any similar transaction involving any Preferred Stock from holders of Preferred Stock (other than from the Initial Holders), then the Company shall offer such transaction to the Initial Holders on the same terms.

Section 7. Representations and Warranties.

(a) Each of the Parties, severally and not jointly, represents and warrants to each of the other Parties:

(1) Power and Authority. It has all requisite power and authority to enter into this Agreement, including the Term Sheet, and to carry out the Transactions contemplated by, and perform its respective obligations under, this Agreement, including the Term Sheet.

(2) Authorization. The execution and delivery of this Agreement, including the Term Sheet, and the performance of its obligations hereunder have been duly authorized by all necessary action on its part.

(3) No Conflicts. The execution, delivery, and performance by it of this Agreement, including the Term Sheet, do not and shall not (i) violate any provision of law, rule, or regulation applicable to it or its certificate of incorporation or by-laws (or other organizational documents) or (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party, subject to satisfaction of the conditions set forth in the Term Sheet.

(4) Governmental Consents. The execution, delivery, and performance by it of this Agreement, including the Term Sheet, do not and shall not require any registration or filing with, consent or approval of, notice to, or other action to, with, or by, any federal, state, or other governmental authority or regulatory body, except filings made, or consents or approvals obtained, prior to the date hereof or as may be necessary or required for approval by the NYSDFS, the Rehabilitator, or the Rehabilitation Court.

(5) Binding Obligation. This Agreement is the legally valid and binding obligation of it and enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(6) Proceedings. No litigation or proceeding before any court, arbitrator, or administrative or governmental body is pending against it that would adversely affect its ability to enter into this Agreement and the Term Sheet or perform its obligations under this Agreement and the Term Sheet.

(b) Each Holder represents and warrants, severally and not jointly, to each of the other Parties:

(1) Ownership. It is the legal and/or beneficial owner or investment advisor to such legal and/or beneficial owner of the FGIC-insured Instruments, the Units, and the Holder Equity Interests, if any, set forth on its respective signature page to this Agreement or the Joinder executed by it, as applicable, and any other Claims, free and clear of any pledge, lien, security interest, charge, claim, proxy, voting restriction, right of first refusal, delegation of authority, or other limitation on disposition of any kind (other than pledges to or liens held by such Holder's prime broker in the ordinary course of business). It is entitled to all of the rights and economic benefits of, and with respect to, such FGIC-insured Instruments, Units, Holder Equity Interests, and other Claims, and has full power and authority to act on behalf of, vote, and consent to matters concerning such FGIC-insured Instruments, Units, Holder Equity Interests, and other Claims, including with respect to the Transactions and other obligations and matters set out in this

Agreement, including the Term Sheet, and to accept the consideration distributed pursuant to the Amended Plan in full satisfaction and discharge of its interests in Claims, including Policy Claims, but for the avoidance of any doubt, excluding Holder Equity Interests.

(2) Transfers. As of the date hereof, it has made no prior assignment, sale, participation, grant, conveyance, or other transfer of, and has not entered into any other agreement to assign, sell, participate, grant, or otherwise transfer, in whole or in part, any right, title, or interests in, of, or with respect to (or portion thereof) the FGIC-insured Instruments, Units, Holder Equity Interests, and other Claims referred to in Section 7(b)(1), except those transfers between Initial Holders disclosed on the signature pages hereto.

(3) Sophistication. It (i) is a sophisticated investor with respect to the Transactions described herein with knowledge and experience in financial and business matters sufficient to evaluate the merits and risks of owning and investing in interests similar to the FGIC-insured Instruments, Units, Holder Equity Interests, and other Claims, making an informed decision with respect thereto, and evaluating properly the terms and conditions of this Agreement, including the Term Sheet, and it has made its own analysis and decision to enter in this Agreement, including the Term Sheet and (ii) has had the opportunity to meet with management of the Company and to ask questions and review information with respect to the Company's business, financial condition, results of operations, and financial and operational outlook, and it has obtained all information it deems necessary or appropriate in order to enter into this Agreement, including the Term Sheet, and make the investment decision contemplated hereby.

Section 8. Transfers.

(a) Each Holder covenants and agrees that, so long as this Agreement has not terminated in accordance with its terms, except as set forth in this Agreement, it shall not: (1) transfer, sell, loan, issue, pledge, participate, hypothecate, assign, or otherwise dispose of, directly or indirectly, in whole or in part (each, a "Transfer"), any of its legal and/or beneficial interests in FGIC-insured Instruments, Units, Holder Equity Interests, and other Claims, or any right or interest (voting or otherwise) therein, thereof, or with respect thereto (collectively, the "Interests"); (2) grant any proxies in relation to any Interests; or (3) deposit any Interests into a voting trust, or enter into a voting agreement with respect thereto, in each case unless the transferee thereof either: (y) is a Holder or FGIC; or (z) prior to such Transfer, agrees in writing for the benefit of the Parties to become a Holder and to be bound by the terms of this Agreement (including with respect to any and all Interests it already may hold (legally and/or beneficially) prior to such Transfer) by executing the Joinder and delivering to the Company an executed copy thereof within two (2) Business Days following such Transfer; provided, however, that a Holder may Transfer any Interest to an entity that is acting in its capacity as a Qualified Marketmaker without the requirement that the Qualified Marketmaker be or become a Holder only if such Qualified Marketmaker subsequently transfers such Interest (by purchase, sale assignment, participation, or otherwise) as soon as reasonably practicable thereafter, and in no event later than five (5) business days after its acquisition of such Interest, to a third-party transferee that is a Party hereto or has executed a Joinder (a copy of which shall be delivered to the Company within two (2) Business Days following such Transfer); provided, further, that, from the date of such Qualified Marketmaker's acquisition of such Interests through the date such Interests are validly transferred in accordance herewith, the Qualified Marketmaker

shall act or vote such Interests as the Requisite Holders, as set forth in the relevant Requisite Holder Confirmation delivered on or immediately prior to the day of voting, shall direct in accordance with the terms of this Agreement (and shall not, for the avoidance of any doubt, be counted as a Requisite Holder for the purpose of such action or vote). Any transferee who purchases Interests from an Initial Holder shall not be deemed an Initial Holder as a result of such transfer, provided, that if such transferee was already an Initial Holder, then it shall be deemed to be an Initial Holder with respect to all of its holdings.

(b) Upon any valid Transfer pursuant to Section 8(a), each Holder shall provide notice in writing (email shall suffice) to FGIC indicating (1) the Interests that were transferred and (2) the identity of the transferee.

(c) Notwithstanding the restrictions described in Section 8(a) herein, a Holder may (i) Transfer any FGIC-insured Instrument to a Qualified Marketmaker under a repurchase agreement or reverse repurchase agreement (collectively “Repurchase Agreements”) without the requirement that such Qualified Marketmaker execute a Joinder and (ii) grant a pledge or lien against its FGIC-insured Instruments (a “Pledge”) to a Qualified Marketmaker in the ordinary course of business without the requirement that such Qualified Marketmaker execute a joinder; provided, that (i) if a Holder defaults on a Repurchase Agreement or such Pledge is foreclosed upon, the Qualified Marketmaker must adhere to the terms and conditions of Section 8(a) herein applicable to Qualified Marketmakers, including by executing a Joinder or by transferring such FGIC-Insured Instrument to a Holder or other transferee who will sign a Joinder within five (5) business days of such default, and (ii) any Holder transferring a FGIC-insured Instrument pursuant to this Section 8(c) retain the right to direct any vote or action with respect to such FGIC-insured Instrument so long as such Repurchase Agreement or Pledge is not in default; provided further, that from the date of default by such Holder under such Repurchase Agreement or such Pledge, the Qualified Marketmaker shall act or vote such FGIC-insured Instrument as the Requisite Holders, as set forth in the relevant Requisite Holder Confirmation delivered on or immediately prior to the day of voting, and shall direct in accordance with the terms of this Agreement (and shall not, for the avoidance of any doubt, be counted as a Requisite Holder for the purpose of such vote or action).

Section 9. Termination by the Holders. This Agreement may be terminated by the Requisite Supermajority of Holders following the occurrence of any of the following events (each, a “Holder Termination Event”), by delivering: (y) written notice of such termination and the reason therefor (together, the “Termination Notice”) to the other Parties and (z) the Requisite Supermajority Confirmation to the Company, in accordance with Section 17 below at least three (3) Business Days prior to the effective date of such termination:

(a) (1) within 270 days of the Signing Date, the Rehabilitator has not filed the Rehabilitation Petition with the Rehabilitation Court or (2) the Effective Date does not occur within 450 days of the Signing Date; provided, that, notwithstanding anything herein to the contrary, this Section 9(a) may be amended or waived by the Company and the Requisite Holders, as set forth in the relevant Requisite Holder Confirmation, with such amendment or waiver confirmed in writing (email shall suffice) by counsel to the Company and the Initial Holders’ Counsel;

(b) the Rehabilitator files an Amended Plan or seeks an order or other relief from the Rehabilitation Court or other court of competent jurisdiction (including approval of an amendment to the Plan) inconsistent in any material respect with this Agreement, including the Term Sheet, or the Rehabilitation Court or other court of competent jurisdiction issues an order or grants relief (including approval of an amendment to the Plan) inconsistent in any material respect with this Agreement, including the Term Sheet, and such inconsistency remains uncured ten (10) Business Days after the receipt by the Company of written notice of such inconsistency from the Requisite Supermajority of Holders (delivered together with a Requisite Supermajority Confirmation);

(c) a breach by the Company of any of the undertakings, representations, warranties, or covenants of the Company set forth in this Agreement that would result in a failure to satisfy any of the conditions to the effectiveness of the Amended Plan, which breach remains uncured ten (10) Business Days after the receipt by the Company of written notice of such breach from the Requisite Supermajority of Holders (delivered together with a Requisite Supermajority Confirmation); or

(d) any court of competent jurisdiction has entered a final, non-appealable judgment or order (1) declaring this Agreement or any material portion hereof to be illegal or unenforceable or (2) restricting, preventing, or prohibiting in any material respect implementation of the Amended Plan in a way that cannot be remedied by the Company or the Rehabilitator within thirty (30) days of entry of such judgment or order.

Notwithstanding anything herein to the contrary, no Holder or group of Holders may seek to terminate this Agreement based upon a Holder Termination Event arising out of its or their own actions or omissions in violation of this Agreement.

If this Agreement is terminated pursuant to any Holder Termination Event enumerated in this Section 9, upon such termination the Company must inform the Rehabilitator that the Holders no longer support the Amended Plan.

Section 10. Individual Holder Termination. This Agreement may be terminated by a Holder, as to itself only, by delivering a Termination Notice to the Company and the Initial Holders in accordance with Section 17 below at least three (3) Business Days prior to the effective date of such termination:

(a) if such Holder is not an Initial Holder, upon the occurrence of any of the events in Section 9 (to the extent not amended or waived pursuant to the terms herein);

(b) if the Rehabilitation Court enters an order sustaining an objection to the Amended Plan filed by a Trustee which would permit such Trustee to distribute funds constituting Permitted Policy Distributions in a matter materially inconsistent with the Amended Plan, where, for the avoidance of any doubt, any deviation from or alteration of the allocation of funds described in the Term Sheet, Amended Plan and Approval Order over the Materiality Threshold shall be considered material; or

(c) if the Effective Date does not occur within 450 days of the Signing Date.

Section 11. Termination by the Company. This Agreement may be terminated by the Company upon the occurrence of any of the following events (each a “Company Termination Event”), by delivering written notice of such termination and the reason therefor to the other Parties in accordance with Section 17 below at least three (3) days prior to the effective date of such termination:

(a) (1) within 270 days of the Signing Date, the Rehabilitator has not filed the Rehabilitation Petition with the Rehabilitation Court or (2) the Effective Date does not occur within 450 days of the Signing Date; provided, that, notwithstanding anything herein to the contrary, this Section 11(a) may be amended or waived by the Company and the Requisite Holders, as set forth in the relevant Requisite Holder Confirmation, with such amendment or waiver confirmed in writing (email shall suffice) by counsel to the Company and the Initial Holders’ Counsel;

(b) solely as to an individual Holder, upon a breach by such Holder of any of the undertakings, representations, warranties, or covenants of the Holders set forth in this Agreement that remains uncured (to the extent curable) ten (10) Business Days after the receipt by the breaching Holder and Initial Holders’ Counsel of written notice of such breach from the Company;

(c) if this Agreement has been terminated as to one or more Holders pursuant to Section 10 and/or Section 11(b) and the remaining Holders party to this Agreement no longer legally and/or beneficially hold FGIC-insured Instruments and Units entitling them to receive, pursuant to the Amended Plan, at least 50% of the aggregate Permitted Policy Distributions to be paid by FGIC based on the written list of holdings of such remaining Holders, which shall be provided to the Company upon its request; or

(d) any court of competent jurisdiction has entered a final, non-appealable judgment or order (1) declaring this Agreement or any material portion hereof to be illegal or unenforceable; or (2) restricting, preventing, or prohibiting in any material respect implementation of the Amended Plan in a way that cannot be remedied by the Company or the Rehabilitator within thirty (30) days of entry of such judgment or order.

Notwithstanding anything herein to the contrary, the Company may not seek to terminate this Agreement based upon a Company Termination Event arising out of its own actions or omissions in violation of this Agreement.

Section 12. Termination of Agreement. This Agreement may be terminated by the Company and the Requisite Supermajority of Holders upon mutual agreement in writing (which may be via email and may be through counsel), provided, that the Company shall have received a Requisite Supermajority Confirmation in connection with such termination.

Notwithstanding anything to the contrary in this Agreement, the Term Sheet, or any other agreement, this Agreement shall terminate automatically without further required action or notice immediately upon the Effective Date of the Amended Plan, unless this Agreement was terminated earlier in accordance with its terms.

Section 13. Effect of Termination and of Waiver of Termination Event. Upon the effectiveness of any valid termination of this Agreement in accordance with Section 9, 11(a), (c), or (d), or 12 hereof:

(a) the obligations of each of the Parties hereunder shall terminate and be of no further force and effect (subject to the last sentence of this Section 13); and

(b) nothing in this Agreement, including the Term Sheet, shall be deemed an admission of any kind.

Upon the effectiveness of any valid termination of this Agreement in accordance with Section 10 or 11(b) hereof, the obligations of the individual Holder subject to termination shall terminate and be of no further force and effect (subject to the last sentence of this Section 13), and the Company's obligations as to such Holder under this Agreement shall similarly terminate and be of no further force and effect (subject to the last sentence of this Section 13).

The Requisite Supermajority of Holders (as set forth in the relevant Requisite Supermajority Confirmation) may waive in writing the occurrence of a Holder Termination Event and the Company may waive in writing the occurrence of a Company Termination Event. No such waiver shall affect any subsequent termination event or impair any right consequent thereon. Upon termination of this Agreement, no Party shall have any continuing liability or obligation to the other Parties hereunder, except as expressly provided otherwise herein; provided, that no such termination shall relieve any Party from liability for its breach or non-performance of its obligations hereunder prior to the date of such termination.

Section 14. Disclosure; Publicity. The Company shall submit to the Initial Holders' Counsel drafts of any press releases that constitute disclosure of the existence or terms of this Agreement, or any amendment to the terms of this Agreement, or any Amended Plan at least two (2) Business Days prior to making any such disclosure. Except as required by applicable law, subpoena, or other legal process or regulation or otherwise permitted under the terms of any other agreement between the Company and any Holder, no Party (other than the subject Holder) or its Representatives shall disclose to any person or entity (including, for the avoidance of doubt, any other Holder), other than the Company, the NYSDFS, the Rehabilitator, or their respective Representatives, the amount or percentage of any FGIC-insured Instruments or Units, other Claims, or Holder Equity Interests, legally and/or beneficially held by any Holder (where the Holder is expressly identified), in each case, without such Holder's prior written consent; provided, that any Party may disclose information requested by a Regulator to the Regulator without limitation or notice to any Party or other person or entity; provided, further, that (a) a Party may not disclose the holdings of any individual Holder (where the Holder is expressly identified) to a Regulator (other than the NYSDFS or the Rehabilitator) if disclosure in the aggregate would be sufficient and (b) if such disclosure is required by law, subpoena, or other legal process or regulation or requested by a Regulator (other than the NYSDFS or the Rehabilitator), the disclosing Party shall, if legally permissible, and to the extent practicable, (i) afford the relevant Holder a reasonable opportunity to review and comment in advance of such disclosure and (ii) take reasonable measures to limit such disclosure. Notwithstanding the foregoing, (y) the Company shall be permitted to disclose to any Party or other person or entity the aggregate amount or the aggregate percentage of FGIC-insured Instruments, Units, and Holder Equity Interests,

legally and/or beneficially held by the Group; and (z) any Party may disclose, to the extent consented to in writing by a Holder, such Holder's individual legal and/or beneficial holdings.

Section 15. Amendments. This Agreement, including the Term Sheet, may be modified, amended, or supplemented by a written agreement executed by the Company and the Requisite Supermajority of Holders (such consent not to be unreasonably withheld, conditioned, or delayed); provided, however, that any modification, amendment, or supplement:

(a) to this Section 15 shall require the prior written consent of each Holder and the Company;

(b) to the definition of "Requisite Holder," "Requisite Supermajority of Holders," or "Lock-Up Fee" shall require the prior written consent of each Initial Holder and the Company;

(c) that requires any Holder to incur any material expenses, liabilities, or other obligations, or agree to any material commitments, undertakings, concessions, indemnities, or other arrangements that could result in material expenses, liabilities, or other obligations, shall require the written consent of each such affected Holder;

(d) related to Holder Equity Interests shall require the prior written consent of each Initial Holder of Holder Equity Interests and the Company; and

(e) to the definition of "Early Joinder Fee," "Early Joinder Fee Deadline," or "Early Joining Holder" shall require the prior written consent of each Early Joining Holder and the Company.

For purposes of this Section 15, the Requisite Supermajority Confirmation shall be delivered to the Company on or immediately prior to the date of the written agreement relating to the respective modification, amendment, or supplement.

Section 16. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees for itself that any legal action, suit, or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit, or proceeding, shall be brought in a federal court of competent jurisdiction in the Southern District of New York. By execution and delivery of this Agreement, each of the Parties hereby irrevocably accepts and submits to the jurisdiction of such court, generally and unconditionally, with respect to any such action, suit, or proceeding.

Section 17. Notices. All demands, notices, requests, consents, and communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or by courier service, messenger, facsimile, electronic transmission (by email transmission), or if duly deposited in the mail, by certified or registered mail, postage prepaid-return receipt requested (or, in the case of the Company, by email transmission only), and shall be deemed to have been duly given or made (a) upon delivery, if delivered personally or by courier service, or messenger, in each case with record of receipt; (b) upon transmission with confirmed delivery, if sent by

facsimile; or (c) on the first (1st) Business Day thereafter if transmitted electronically (by email transmission); or (d) two (2) Business Days after being sent by certified or registered mail, postage pre-paid, return receipt requested, to the following addresses, or such other addresses as may be furnished hereafter by notice in writing, to the following parties:

If to the Company, to:

Financial Guaranty Insurance Company
Attn: Edward Turi
Laura Kegg
Email: Edward.Turi@fgic.com
Laura.Kegg@fgic.com
Generalcounsel@fgic.com

with a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Facsimile: (212) 310-8007
Attn: Kelly DiBlasi
Kirsten Erichsen
Email: Kelly.DiBlasi@weil.com
Kirsten.Erichsen@weil.com

If to any Initial Holder, to:

Miller Buckfire & Co.
787 7th Avenue, 5th Floor
New York, New York 10019
Facsimile: (212) 895-1835
Attn: Matt Rodrigue
Christine Song
Email: matt.rodrigue@millerbuckfire.com
christine.song@millerbuckfire.com

with a copy to:

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020
Facsimile: (212) 354-8113
Attn: Brian Pfeiffer
John Ramirez
Email: brian.pfeiffer@whitecase.com
john.ramirez@whitecase.com

If to a Holder other than an Initial Holder:

to the address provided on such Holder's signature page to its Joinder.

Section 18. Entire Agreement. This Agreement, including the Term Sheet, constitutes the full and entire understanding and agreement among the Parties with regard to the subject matter hereof, and supersedes all prior agreements with respect to the subject matter hereof; except that the Parties acknowledge that any confidentiality agreements (as amended from time to time) and joinders thereto executed between or among: (a) the Company and any Holder; (b) the Company and Miller Buckfire & Co.; and (c) the Company and White & Case LLP prior to the execution of this Agreement shall continue in full force and effect pursuant to the terms of such confidentiality agreements.

Section 19. Settlement Discussions. This Agreement and the Term Sheet are part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence, and any other applicable law, foreign or domestic, this Agreement, including the Term Sheet, and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

Section 20. Headings. The headings of the sections, paragraphs and subparagraphs of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

Section 21. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective permitted successors and assigns; provided, that nothing contained in this Section 21 shall be deemed to permit sales, assignments, or transfers other than in accordance with Section 8.

Section 22. Specific Performance. Each Party recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause other parties to sustain damages for which such parties would not have an adequate remedy at law for money damages, and therefore each Party agrees that in the event of any such breach, such other parties shall be entitled to seek the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which such parties may be entitled, at law or in equity. Each Party hereby waives any requirement for the security or posting of any bond in connection with such remedies.

Section 23. Several, Not Joint, Obligations. The agreements, representations, and obligations of the Parties under this Agreement are, in all respects, several and not joint. For the avoidance of any doubt, except as expressly set forth in this Agreement, nothing herein or in the Term Sheet shall require any Holder to provide any entity with any indemnity in connection with this Agreement and/or the Term Sheet.

Section 24. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

Section 25. No Waiver. The failure of any Party to exercise any right, power, or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity,

or to insist upon compliance by any other Party with its obligations hereunder, and any custom or practice of the Parties at variance with the terms hereof, shall not constitute a waiver by such Party of its right to exercise any such or other right, power, or remedy or to demand such compliance.

Section 26. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement. Delivery of an executed signature page of this Agreement by email or other electronic transmission service shall be as effective as delivery of a manually executed signature page of this Agreement.

Section 27. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, so long as the material economic and legal substance of the Transactions contemplated in this Agreement and the Term Sheet is not affected in any manner materially adverse to any Party. Upon any such determination of invalidity, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a reasonably acceptable manner in order that the Transactions contemplated in this Agreement and the Term Sheet are consummated as originally contemplated to the greatest extent possible.

Section 28. Capacities of Holders. Each Holder has entered into this Agreement on account of any and all FGIC-insured Instruments, Units, Holder Equity Interests, and other Claims, which such Holder legally and/or beneficially holds and each such Holder shall take or refrain from taking (or cause the legal owner of such Interests to take or refrain from taking) all action that it is obligated to take or refrain from taking under this Agreement with respect to all such holdings.

Section 29. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof (other than, in the case of the Company, the Rehabilitator).

Section 30. Additional Parties. Without in any way limiting the provisions hereof, additional legal and/or beneficial holders of FGIC-insured Instruments or Units may elect to become Parties by executing and delivering to the Company a Joinder. Each such additional holder shall become a Party to this Agreement as a Holder in accordance with the terms of this Agreement but, for the avoidance of doubt, shall not become or be deemed an Initial Holder.


Section 31. Receipt of Adequate Information; Representation by Counsel. Each Party acknowledges that it has received adequate information to enter into this Agreement and that it has been represented by counsel in connection with this Agreement and the Transactions contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party shall have no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the Parties.

Section 32. Interpretation. Whenever the words “include,” “includes,” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The words “hereof,” “herein,” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement and the Term Sheet and, in the event an ambiguity or question of intent or interpretation arises, this Agreement or the Term Sheet shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement or the Term Sheet.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have duly executed and delivered this Agreement as of the date first above written.

**FINANCIAL GUARANTY INSURANCE
COMPANY**

By: 
Name: Timothy Travers
Title: Chief Executive Officer

HOLDERS:

Aurelius Capital Management, LP,
on behalf of the funds and entities that it manages or
advises, and not in its individual capacity:

By:  _____

Name: Eleanor Chan

Title: Chief Investment Officer

Address: 1330 6th Ave, 14th Floor, Suite A, New
York, NY 10019

Attn.: Eleanor Chan

Email: echan@aurelius-capital.com

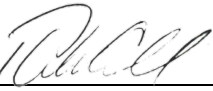
Original Principal Amount of FGIC-insured Instruments Held Legally and/or Beneficially:
Notional Amount of Units Held Legally and/or Beneficially:
Nature and Number of Shares of Holder Equity Interests Held Legally and/or Beneficially:



HOLDERS:

Brigade Capital Management, LP

**as Investment Manager on Behalf of Various
Funds**

By:  _____

Name: Patrick Criscillo

Title: Chief Financial Officer

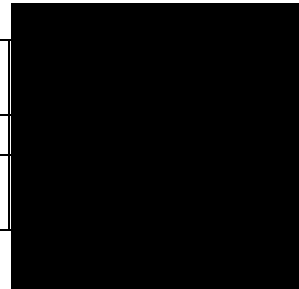
Address: 399 Park Ave, New York, NY 10022

Attn.: Operations Team

Email: operations@brigadecapital.com

Facsimile: 1-212-745-9701

Original Principal Amount of FGIC-insured Instruments Held Legally and/or Beneficially:
Notional Amount of Units Held Legally and/or Beneficially:
Nature and Number of Shares of Holder Equity Interests Held Legally and/or Beneficially:



HOLDERS:

Canyon Capital Advisors LLC
River Canyon Fund Management LLC
each, on behalf of its participating funds and
accounts:

DocuSigned by:

Jonathan M. Kaplan

1DD7A56CDF974FD...

By: _____

Name: Jonathan M. Kaplan

Title: Authorized Signatory

Address: 2728 N. Harwood St., 2nd FL,
Dallas, TX 75201

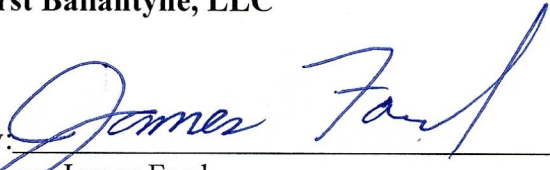
Attn.: Legal Department

Email: legal@canyonpartners.com

Original Principal Amount of FGIC-insured Instruments Held Legally and/or Beneficially:	
Notional Amount of Units Held Legally and/or Beneficially:	
Nature and Number of Shares of Holder Equity Interests Held Legally and/or Beneficially:	

HOLDERS:

First Ballantyne, LLC

By: 

Name: James Ford

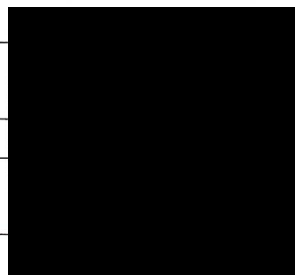
Title: President

Address: 13950 Ballantyne Corporate Pl Ste. 185,
Charlotte, NC 28277

Attn.: James Ford

Email: james@firstballantyne.com

Original Principal Amount of FGIC-insured Instruments Held Legally and/or Beneficially:
Notional Amount of Units Held Legally and/or Beneficially:
Nature and Number of Shares of Holder Equity Interests Held Legally and/or Beneficially:



HOLDERS:

Monarch Alternative Capital LP, on behalf of certain of its advisory client and/or related entities



By: _____

Name: Michael Weinstock

Title: Chief Executive Officer

Address: 535 Madison Avenue, New York, NY
10022

Attn.: Legal Department

Email: LegalTeam@monarchlp.com

Facsimile: 212-554-1701

Original Principal Amount of FGIC-insured Instruments Held Legally and/or Beneficially:	
Notional Amount of Units Held Legally and/or Beneficially:	
Nature and Number of Shares of Holder Equity Interests Held Legally and/or Beneficially:	

HOLDERS:

Moore Global Investments, LLC

by Moore Capital Management, LP, Investment
Manager

By: James Kaye

Name: James Kaye

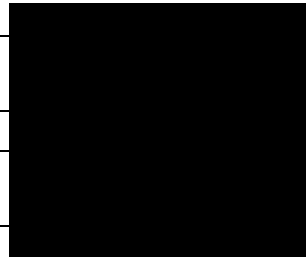
Title: V.P.

Address: 11 Times Sq #39, New York, NY 10036

Attn.: James Kaye

Email: legal.notices@moorecap.com

Original Principal Amount of FGIC-insured Instruments Held Legally and/or Beneficially:
Notional Amount of Units Held Legally and/or Beneficially:
Nature and Number of Shares of Holder Equity Interests Held Legally and/or Beneficially:



HOLDERS:

**Taconic Market Dislocation Master Fund III
(Cayman) L.P.**

Taconic Opportunity Master Fund L.P.

by Taconic Capital Advisors L.P., as investment
manager:

DocuSigned by:
Erin Rota
By: _____
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Name: Erin Rota
Title: Deputy General Counsel
Address: 280 Park Avenue, 5th Floor, New York,
NY 10017
Attn.: Erin Rota
Email: erota@taconiccap.com
Copy: operations@taconiccap.com

Original Principal Amount of FGIC-insured Instruments Held Legally and/or Beneficially:
Notional Amount of Units Held Legally and/or Beneficially:
Nature and Number of Shares of Holder Equity Interests Held Legally and/or Beneficially:

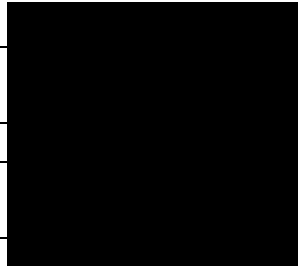


Exhibit A

Term Sheet

FINANCIAL GUARANTY INSURANCE COMPANY

AMENDED PLAN TERM SHEET

On June 28, 2012, the Supreme Court of the State of New York (the “**Rehabilitation Court**”) entered an order pursuant to Article 74 of the New York Insurance Law (the “**NYIL**”) commencing the legal proceeding governing the rehabilitation of Financial Guaranty Insurance Company (“**FGIC**”), styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (the “**Rehabilitation Proceeding**”). On June 11, 2013, the Rehabilitation Court entered an order approving the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013 (the “**Plan**”). On August 19, 2013, the Plan became effective, whereupon FGIC emerged from the Rehabilitation Proceeding.

This term sheet (together with all annexes, exhibits, and schedules attached hereto, this “**Term Sheet**”) sets forth the principal terms of certain transactions to be implemented pursuant to an amended and restated Plan, to be filed with and approved by the Rehabilitation Court in a reopened Rehabilitation Proceeding (the “**Amended Plan**”).

FGIC and certain legal and/or beneficial holders of (i) certain FGIC-insured Instruments (as defined in the Plan, but with such term being amended to clarify that having no par outstanding at the time of determination does not cause an Instrument to cease being an Instrument) and/or certain Units,¹ (ii) other Claims against FGIC, and/or (iii) Holder Equity Interests (as defined in the Transaction Support Agreement) (collectively, the “**Holders**”) entered into the Transaction Support Agreement, to which this Term Sheet is attached as Exhibit A (the “**Transaction Support Agreement**”). Pursuant to the terms and conditions of the Transaction Support Agreement, the Holders have agreed to support the Amended Plan.

Capitalized terms used but not otherwise herein defined have the meanings ascribed to them in the Plan or the Transaction Support Agreement, as applicable.

THIS TERM SHEET IS SUBJECT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND OTHER SIMILAR STATE LAW EQUIVALENTS PROTECTING THE USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION OR SETTLEMENT DISCUSSIONS. NOTHING IN THIS TERM SHEET WILL CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, A STIPULATION OR A WAIVER. EACH STATEMENT CONTAINED HEREIN IS MADE WITHOUT PREJUDICE, SOLELY FOR SETTLEMENT PURPOSES AND WITH A FULL RESERVATION AS TO ANY RIGHTS, REMEDIES OR DEFENSES OF ALL PARTIES. THIS TERM SHEET DOES NOT PURPORT TO SUMMARIZE ALL THE TERMS, CONDITIONS, REPRESENTATIONS, WARRANTIES AND OTHER PROVISIONS WITH RESPECT TO THE TRANSACTIONS REFERRED TO HEREIN. SUCH TRANSACTIONS WILL BE SUBJECT TO THE COMPLETION OF DEFINITIVE DOCUMENTS INCORPORATING THE TERMS SET FORTH HEREIN. THIS TERM SHEET DOES NOT CONSTITUTE AN OFFER, AGREEMENT, OR COMMITMENT BY ANY PARTY TO ENTER INTO ANY TRANSACTION.

¹ “**Units**” shall mean units issued by certain custodial trusts into which certain Puerto Rico-related Instruments insured by FGIC and the related Policies were deposited.

Transaction Summary

General:

The transactions contemplated by this Term Sheet shall be implemented pursuant to the Amended Plan to be filed with and approved by the Rehabilitation Court in a reopened Rehabilitation Proceeding.

The Amended Plan will, upon its effectiveness (the “**Effective Date**”), supersede and replace the existing Plan, and in general will provide for:

- the satisfaction in full and the discharge and cancellation of all Policies (as defined below) in force as of the Effective Date other than the Novated Policies (as defined below) (the “**Covered Policies**”) and all obligations and liabilities of FGIC under, pursuant to, or in connection with the Covered Policies, whether arising (or projected to arise) prior to, on or at any time after the Effective Date, including in respect of all Policy Claims and other Claims of holders of any FGIC-insured Instruments against FGIC (the “**Covered Policy Liabilities**”), in exchange for the respective Permitted Policy Distributions (as defined below);
- the transfer by novation to Assured Guaranty Corp. (the “**Assuming Insurer**”) of the Policies listed on Annex 4 hereto (without giving effect to any amendment or modification thereof pursuant to the Plan, the “**Novated Policies**”) and other related obligations and liabilities of FGIC in accordance with the terms and conditions of the Novation Agreement dated as of February 8, 2024 between FGIC and the Assuming Insurer (the “**Novation Agreement**”);
- the satisfaction in full and the discharge of all Non-Policy Claims; and
- termination of the reopened Rehabilitation Proceeding,

on the terms and conditions set forth herein.

All material amendments to the Plan are set forth herein.

Approval and implementation of the Amended Plan shall be consistent with this Term Sheet and subject to the terms and conditions set forth in the Transaction Support Agreement.

Treatment of Permitted Claims and Equity Interests

Categories of Claims and Equity Interests

The following lists the categories of Claims and Equity Interests that are covered by the Amended Plan:

- **Category A – Secured Claims**
- **Category B – Administrative Expense Claims**
- **Category C – Policy Claims**
- **Category D – Non-Policy Claims**
- **Category E – Late-Filed Claims**
- **Category F – Equity Interests**

Other than Claims (including Permitted Policy Claims (as defined herein)) paid (or under the Plan deemed to have been paid) in full in cash prior to the date of the order reopening the Rehabilitation Proceeding (the “**Reopening Date**”), the Amended Plan will be the exclusive means for resolving and paying (i) all Policy Claims, whenever arising, and (ii) all other Claims arising during, or relating to, the period prior to or on the Effective Date. Claims arising during or relating to the period after the Effective Date (other than Claims with respect to Covered Policy Liabilities) are not covered by the Amended Plan and will be resolved and paid by FGIC in the ordinary

	course of business.
Permitted Secured Claims	Treatment consistent with Section 2.1 of the Plan.
Permitted Administrative Expense Claims	Treatment consistent with Section 2.2 of the Plan.
Permitted Policy Claims	<p>Section 2.3 of the Plan shall be amended to provide that, except to the extent a Policyholder and FGIC agree to different treatment, each Policyholder under any Covered Policy shall receive, in full and final satisfaction of all Covered Policy Liabilities under such Covered Policy, the Permitted Policy Distribution for such Covered Policy, with respect to all Covered Instruments (as defined herein) insured by such Covered Policy.</p> <p>The Amended Plan shall provide that, to the extent any Permitted Policy Distribution is received by a Trustee with respect to a Covered Policy, such Permitted Policy Distribution shall, unless otherwise agreed by FGIC with such Trustee, be distributed by the Trustee to the beneficial holders of the Covered Instruments insured by such Covered Policy (or, in the case of any Puerto Rico-related Covered Policy, to the Unitholders of the custodial trust into which the subject Covered Instrument was deposited), in the respective amounts provided pursuant to the definition of “Permitted Policy Distribution”.</p> <p>A new definition of “Covered Instrument” shall be included in the Amended Plan, which shall mean any Instrument insured by a Covered Policy, excluding the amount of any such Instrument that is a FGIC-Owned Instrument (as defined herein).</p> <p>A new definition of “FGIC-Owned Instrument” shall be included in the Amended Plan, which shall mean, with respect to each Instrument insured by a Covered Policy, the amount, if any, of such Instrument (i) that FGIC has purchased, (ii) with respect to which FGIC has terminated, offset, or otherwise cancelled the insurance on such Instrument or has acquired the right to receive, directly or indirectly, payments made by FGIC under such Covered Policy, or (iii) that has been assigned to FGIC in connection with FGIC’s payment with respect to a Policy Claim, including a DPO, under such Covered Policy.</p> <p>A new definition of “Permitted Policy Claim” shall be included in the Amended Plan, which shall mean, with respect to each Covered Policy, the aggregate Covered Policy Liabilities for such Covered Policy.</p> <p>A new definition of “Permitted Policy Distribution” shall be included in the Amended Plan, which shall mean, with respect to each Covered Policy, the aggregate amount, if any, shown on Annex 1 hereto for such Covered Policy (with the allocable amount for each Instrument insured by such Covered Policy also shown on Annex 1 hereto; <i>provided, however</i>, that each such amount shall be reduced by (i) the aggregate amount, if any, paid by FGIC to the applicable Policyholder in Cash with respect to such Covered Policy or Instrument, as applicable, after the Reference Date, (an “Interim Cash Payment” and the amount of such Permitted Policy Distributions before any reduction due to any Interim Cash Payment, the “Initial Permitted Policy Distributions”), (ii) with respect to the Covered Policies listed on Annex 2 hereto, the amount, if any, that was determined by FGIC to be payable to it with respect to such Covered Policy during the period from the Reference Date to the Effective Date pursuant to clause (iii) of “FGIC Payments” (under and as defined in the Plan) but was not paid or otherwise remitted to FGIC in accordance with the Plan, and (iii) the aggregate amount, if any, allocable to FGIC-Owned Instruments in order to reflect the net amount allocable to Covered Instruments insured by such Covered Policy;</p>

	<p>and <i>provided further, however</i>, that each such amount (as the same may be reduced) shall be increased by the applicable amount, if any, calculated pursuant to the “Ticking Fee” section below.</p> <p>The definition of “Policy” shall be amended in the Amended Plan to mean any financial guaranty insurance policy, surety bond or other insurance policy or contract issued or assumed at any time by FGIC, in each case as amended or modified pursuant to the Plan (except as otherwise provided in the definition of “Novated Policies”), but excluding in all cases reinsurance and retrocession contracts and all policies previously novated to National Public Finance Guarantee Corporation.</p> <p>A new definition of “Reference Date” shall be included in the Amended Plan, which shall be December 31, 2023.</p> <p>The definition of “Reinsurance Agreements” shall be amended to mean all reinsurance and retrocession agreements (including any and all amendments, endorsements and other modifications thereof) in effect as of the Effective Date pursuant to which FGIC has at any time prior to the Effective Date ceded any risk under or relating to any Policies to any third party.</p> <p>A new definition of “Retained Policy Claims” shall be included in the Amended Plan, which shall mean, with respect to the Covered Policies listed on Annex 3, the rights to receive and recover the cash payments paid or that would be payable to FGIC at any time under the related Transaction Documents with respect to reimbursements or recoveries in respect of claims paid (or deemed paid) by FGIC under such Covered Policies (including in respect of the related Permitted Policy Distribution pursuant to the Amended Plan).</p> <p>The definition of “Trustee” shall be amended to mean any trustee, including any indenture trustee, custodial trustee or other similar trustee, who is a Policyholder, in each case including such trustee’s successors, delegates, and assigns (to the extent such delegates or assigns are permitted under the relevant trust agreement or other governing document).</p>
<p>Permitted Non-Policy Claims</p>	<p>Section 2.4 of the Plan shall be amended to provide that, except to the extent a holder of a Permitted Non-Policy Claim and FGIC agree to different treatment, each holder of a Permitted Non-Policy Claim shall receive, in full and final satisfaction of such Permitted Non-Policy Claim, a Cash payment in an amount equal to its “Permitted Non-Policy Cash Distribution” (as defined below).</p> <p>A new definition of “Permitted Non-Policy Cash Distribution” shall be included in the Amended Plan, which shall mean, with respect to each Permitted Non-Policy Claim, Cash in an amount equal to the total amount of payments that FGIC projects would have become payable by FGIC with respect to such Permitted Non-Policy Claim pursuant to the terms and conditions of the Plan, discounted from the dates FGIC projects such payments would have become payable by FGIC to the Reference Date using such discount rate as determined by FGIC and approved by the Rehabilitation Court.</p>
<p>Permitted Late-Filed Claims</p>	<p>Sections 2.5 and 4.5 of the Plan shall be amended to provide that Proofs of Claim filed after the bar date for the Amended Plan shall be barred.</p>
<p>Equity Interests</p>	<p>The Amended Plan shall provide that, except as explicitly set forth therein, nothing in the Amended Plan modifies the terms and conditions of Equity Interests. Further, for the avoidance of any doubt, none of the payments made in connection with this Term Sheet, the Transaction Support Agreement, or the Amended Plan shall constitute dividends or payments to satisfy, redeem or otherwise treat Equity</p>

	<p>Interests. Equity Interests shall remain in existence as provided in Section 2.6 of the Plan, but the restrictions on distributions, dividends, or other payments on account of Equity Interests (preferred and common stock) in Sections 2.6 and 7.10(b) of the Plan shall be removed. Without limiting the foregoing, certain provisions relating to Injunctive Relief under Section 7.8 of the Plan shall be amended as provided in “Injunctive Relief” below.</p> <p>The Amended Plan shall provide that, after the Effective Date, holders of Equity Interests (i) shall not be barred, prohibited, or estopped from asserting, commencing, or prosecuting any Legal Proceeding with respect to any Claim arising from or relating to Equity Interests, solely to the extent such Claim first arose or relates to the period after the Effective Date (the “Equity Carveout”), but (ii) shall be barred, prohibited, and estopped from asserting, commencing, or prosecuting any Legal Proceeding with respect to any Claim arising from or related to Equity Interests to the extent such Claim first arose or relates to the Period on or before the Effective Date, including with respect to any Claim or cause of action alleging that the Transaction, the Amended Plan, or the consummation thereof constitutes a voluntary or involuntary liquidation, dissolution, or winding up of FGIC that triggers the “Liquidation Preference” as defined in Article XI, Section 6(a) of FGIC’s Amended and Restated Charter, as approved by the NYSDFS as of May 19, 2014 (the “FGIC Charter”); <i>provided, further</i>, that it is understood and agreed that holders of Equity Interests shall retain any Claims related to actions of FGIC taken after the Effective Date, including, without limitation, any Claims that such actions constitute a voluntary or involuntary liquidation, dissolution, or winding up of FGIC that triggers the Liquidation Preference (as defined in the FGIC Charter); <i>provided, further</i> that FGIC shall retain all claims, counterclaims, and defenses in connection with, and in response to, any such claim by holders of Equity Interests.</p> <p>As provided in the Plan, FGIC will not pay any dividends on any Equity Interests to any holders thereof prior to or on the Effective Date.</p>
<p><u>Implementation</u></p>	
<p>Policy Restructuring (Section 3.1)</p>	<p>Effective as of the Effective Date, except for the purpose of evidencing a right to a distribution of a Permitted Policy Distribution (if applicable) under the Amended Plan, all Covered Policies and other rights of any Policyholder or other Person thereunder, pursuant thereto or in connection therewith shall be deemed discharged, cancelled, and of no further force or effect, and all Covered Policy Liabilities shall be deemed fully satisfied, released, and discharged.</p> <p>Effective as of the Effective Date, except as otherwise provided in the Amended Plan, any and all obligations of FGIC under the Plan shall automatically terminate and be of no further force or effect, including, without limitation, to re-evaluate the CPP or conduct any CPP-related procedures and other processes and procedures provided in the Plan and the Restructured Policy Terms in <u>Exhibit B</u> thereto, and such Exhibit shall not be included in the Amended Plan.</p>
<p>Ticking Fee</p>	<p>To the extent that the Effective Date does not occur on or before August 15, 2024, the Permitted Policy Distribution amounts (as the same may be reduced pursuant to the definition thereof) will increase by 5.50% annually, pro-rated on a daily basis, as contemplated by the final proviso to the definition of Permitted Policy Distribution. Any such increase will be calculated on a simple basis rather than a compound basis (<i>i.e.</i>, all increases pursuant to this provision shall be excluded from the calculation of future Ticking Fee amounts).</p>

<p>Continued Existence and De-Licensing of FGIC</p>	<p>FGIC shall continue to exist after the Effective Date with all powers available under applicable law. Section 3.3 of the Plan shall be amended to provide that, except as and to the extent FGIC and the NYSDFS shall agree to a different treatment, as of the Effective Date, as shall be approved by the NYSDFS, FGIC may seek to de-license as an insurance company and cease to maintain all its existing licenses in the State of New York, and from such date of de-licensing and thereafter, FGIC shall no longer be subject to NYSDFS oversight, regulation, or reporting, including pursuant to the NYSDFS Guidelines.</p>
<p>No Defaults</p>	<p>The Amended Plan shall include provisions generally consistent with Section 3.5 of the Plan, modified to remove provisions no longer relevant, but supplemented to treat the reopened Rehabilitation Proceeding and the transactions contemplated by the Amended Plan in a manner similar to Rehabilitation Circumstances.</p> <p>During the Rehabilitation Proceeding and after the Effective Date, no person may amend or waive any provision of any Policy, Instrument or Transaction Document, which is related to or affects any Retained Policy Claims or FGIC’s ability to recover thereunder without the written consent of FGIC or, prior to the Effective Date, authorization from the Court.</p>
<p>Reinsurance</p>	<p>The Amended Plan shall provide for the treatment of Reinsurance Agreements consistent with Section 3.6 of the Plan, except that (i) Section 3.6(a) shall be amended to provide that with respect to all Permitted Policy Distribution payments to be paid by FGIC in cash on the Effective Date (without reduction for any FGIC-owned Instruments), each reinsurer will be required to pay FGIC in full in cash for such reinsurer’s reinsured portion thereof not less than five (5) Business Days before the Effective Date and (ii) Section 3.6(b) shall be amended to refer to the Novated Policies and each Assuming Insurer.</p>
<p>Control Rights</p>	<p>Section 3.7 of the Plan shall be deleted as the Amended Plan will provide for the satisfaction in full and the discharge and cancellation of all Claims and Policies, except that Section 3.7 shall provide for FGIC to preserve and retain the Retained Policy Claims, with payments thereunder paid to FGIC or its successors or assigns.</p> <p>The Amended Plan and the Plan Approval Order shall provide that, to the extent permitted by law, control rights of the holders of Permitted Policy Claims shall be preserved to the extent necessary to enforce the Amended Plan and Plan Approval Order, including through legal proceedings against any third-party, including any Trustee.</p>
<p>Novated Policies</p>	<p>On the Effective Date, the novation and other transactions contemplated by the Novation Agreement with respect to the Novated Policies, including the payment in full of any DPO outstanding on the Effective Date under a Novated Policy to be novated to the Assuming Insurer, shall be effectuated. Policyholders of such Novated Policies shall not receive any distribution from FGIC pursuant to the Amended Plan. The Novated Policies, and all obligations and liabilities of FGIC thereunder, shall be transferred to the Assuming Insurer without giving effect to any amendment or modification pursuant to the Plan.</p>
<p>Amended Charter and Restated By-laws</p>	<p>On the Effective Date, FGIC will be subject to an amended and restated charter (the “Amended Charter”) and amended and restated by-laws (the “Amended By-laws”), which will be substantially similar to FGIC’s charter and by-laws in effect prior to the commencement of the Rehabilitation Proceeding, except for (i) changing FGIC’s name, (ii) amending or removing insurance company-related provisions, including references to certain procedures and notices required to the NYSDFS, and (iii) such other changes as are necessary to implement the Amended Plan as</p>

	specifically described in this Term Sheet, but without any change to any provisions affecting the rights and preferences of holders of Preferred Stock.
No Trigger of Liquidation Preference	The Amended Plan and the Plan Approval Order shall provide that (i) none of the Transaction, the Amended Plan, or the consummation thereof constitutes a voluntary or involuntary liquidation, dissolution, or winding up of FGIC pursuant to the FGIC Charter and applicable New York law, and (ii) none of the Transaction, the Amended Plan, or the consummation thereof triggers the Liquidation Preference (as defined in the FGIC Charter).
<u>Claim Administration and Distribution</u>	
Claims Notice	The Amended Plan shall provide that FGIC will provide a notice to all Covered Policyholders (“ Noticed Policyholders ”), which notice shall contain for each Covered Policy the Permitted Policy Distribution amount (in the aggregate and for each Covered Instrument) on account of such Covered Policy. Noticed Policyholders shall have an opportunity to object to such amount by filing a Proof of Claim prior to the Bar Date.
Bar Date	<p>The Amended Plan shall provide a bar date for any (i) Noticed Policyholder and (ii) holder of a Non-Policy Claim, respectively, to file a Proof of Claim. FGIC may dispute these claims and each such timely filed Disputed Claim shall be resolved pursuant to the Reconciliation of Disputed Claims procedures under the Amended Plan.</p> <p>Any asserted Claim arising during or relating to the period prior to or on the Effective Date set forth in a Proof of Claim filed after the Bar Date, to the extent not deemed or otherwise agreed by FGIC to be a Permitted Claim, shall not receive a distribution under the Amended Plan and shall be barred and discharged.</p>
Reconciliation of Disputed Claims	Treatment generally consistent with Section 4.6 of the Plan. Section 4.6 of the Plan will be further amended to provide for FGIC to reserve cash for potential payment in connection with any timely filed Disputed Claim not resolved as of the Effective Date.
Payment of Claims	Treatment generally consistent with Section 4.7 of the Plan, but amended as necessary to reflect the treatments provided for above and to require that Permitted Policy Claims and Permitted Non-Policy Claims will be paid on the Effective Date in accordance with the terms and conditions of the Amended Plan.
Alternative Resolution of Claims, Setoff of Cash Payments, and Certain Claims Not Permitted	Sections 4.8, 4.9 and 4.10 of the Plan to be deleted as the Amended Plan will provide for the satisfaction in full and the discharge and cancellation of all Covered Policies and Covered Policy Liabilities on the Effective Date and the resolution of all other Claims arising prior to and in existence as of the Effective Date.
<u>Effective Date</u>	
Conditions to Effectiveness of Amended Plan	<p>Section 6.1 of the Plan to be amended to reflect that the Effective Date shall be conditioned upon each of the following conditions having been satisfied or waived by the Rehabilitator in his sole discretion:</p> <ul style="list-style-type: none"> • The Plan Approval Order shall have been signed; • The Plan Approval Order shall have become a Final Order; • The Court shall have approved the Amended Charter and the Amended By-

	<p>laws;</p> <ul style="list-style-type: none"> • All actions, agreements, authorizations, consents, letters, opinions, instruments and other documents necessary to implement the Amended Plan shall have been obtained, effected or executed and delivered, as applicable, in form and substance satisfactory to the Rehabilitator, and shall not have been revoked; • No Legal Proceeding shall have been instituted or threatened, to the knowledge of the Rehabilitator, nor shall any claim or demand have been made against the Rehabilitator, FGIC or any other Person seeking to restrain, prohibit or obtain damages with respect to the consummation of the transactions contemplated by the Amended Plan, and there shall not be in effect any Final Order restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby or thereby; • No actual or threatened event, circumstance, condition, fact, effect or other matter exists, to the knowledge of the Rehabilitator, that, individually or in the aggregate with any other such event, circumstance, condition, fact, effect or other matter, has had or could reasonably be expected to have, as determined by the Rehabilitator in his sole discretion, an adverse effect on the viability or implementation of the Amended Plan; • All fees and expenses payable to the Holders’ advisors, White & Case LLP and Miller Buckfire & Co., LLC, pursuant to the terms and conditions of those certain fee letters by and between FGIC and White & Case LLP dated June 12, 2023, and between FGIC and Miller Buckfire & Co., LLC dated August 17, 2023 (as each may be amended, modified, or supplemented from time to time) shall have been paid in full to the extent such advisors have provided invoices to FGIC at least five (5) Business Days prior to the Effective Date; and • The Novated Policies shall have been novated pursuant to the Novation Agreement.
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<u>Effect of Effective Date</u>	
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Releases	<p>As of the Effective Date: (i) all holders and beneficial holders of Permitted Policy Claims, Novated Policies, Covered Instruments, Permitted Non-Policy Claims and Equity Interests; (ii) FGIC; (iii) the Rehabilitator; (iv) the NYLB; (v) the NYSDFS; and (vi) the current and former attorneys, agents, advisors, representatives, officers, directors, and employees of each of the foregoing (collectively, the “Representatives”) shall conclusively, absolutely, unconditionally, irrevocably and finally release and discharge one another from any and all claims or Causes of Action whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, in law, equity, or otherwise based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date and arising from or relating to the commencement and operation of the Rehabilitation Proceeding (including the Rehabilitation Circumstances, the re-opening of the Rehabilitation Proceeding, the preparations therefor, negotiations relating thereto, novation of the Novated Policies, the Transaction Support Agreement, and any and all actions relating thereto); provided that the foregoing shall not affect the liability of any such Person that otherwise would result from any act or omission that is determined by a Final Order to constitute willful misconduct, gross negligence, intentional fraud, criminal conduct, intentional unauthorized misuse of confidential information that causes damages or <i>ultra vires</i> acts; provided further that such release provision shall not</p>
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	release any obligation under the Amended Plan or any claim or Cause of Action against any Trustee or any other third party responsible for administering payments under the Amended Plan to the extent such party does not comply with the terms and conditions of the Amended Plan or the Plan Approval Order.
Exculpation	Treatment generally consistent Section 7.3 of the Plan, but to include exculpation of the Holders and their Representatives.
Indemnification	<p>Consistent with Section 7.5(a) of the Plan, FGIC shall indemnify (i) the NYLB, (ii) the NYSDFS, (iii) the Rehabilitator, (iv) each of their respective representatives, and (v) directors, officers, and employees of FGIC against any and all Losses (as defined in the Plan) arising from Released Causes of Action and Exculpated Causes of Action (each as defined in the Plan), updated as appropriate for the Amended Plan and related matters.</p> <p>Consistent with Section 7.5(b) of the Plan, FGIC shall indemnify Trustees for any losses incurred and arising from such Trustee’s compliance with the express terms and conditions of the Amended Plan and Plan Approval Order, which indemnification shall survive following the Effective Date, but which indemnification shall exclude any Trustees who continue to object to the Amended Plan on or after the Effective Date or fail to comply with any express terms or conditions of the Amended Plan or Approval Order.</p> <p>All indemnification agreements and provisions existing as of the commencement of the reopened Rehabilitation Proceeding pertaining to officers and directors of FGIC and/or FGIC Corp. shall be preserved and assumed and shall survive following the Effective Date.</p>
Termination of Rehabilitation Proceeding	The Rehabilitation Proceeding shall terminate without further action of the Court on the Effective Date. On the Effective Date, FGIC will resume possession of its property and the conduct of its business.
Injunctive Relief	<p>Treatment generally consistent with Section 7.8 of the Plan, with amendments as necessary for provisions that are no longer relevant after the Effective Date, including</p> <ul style="list-style-type: none"> • amending Section 7.8(a) of the Plan to reflect the Equity Carveout; • amending Section 7.8(e) to remove the injunction and prohibition against third-parties exercising “FGIC Rights” (as defined in the Plan), other than with respect to Retained Policy Claims; • removing the language in Section 7.8(h) of the Plan, which prohibits persons from “seeking to acquire, acquiring or exercising voting rights or other corporate governance rights pursuant to or under the Preferred Stock”; and • adding language enjoining Holders of Equity Interests from asserting, commencing, or prosecuting any Legal Proceeding with respect to any Claim arising from or related to Equity Interests to the extent such Claim first arose or relates to the Period on or before the Effective Date, including with respect to any Claim or cause of action alleging that the Transaction, the Amended Plan, or the consummation thereof constitutes a voluntary or involuntary liquidation, dissolution, or winding up of FGIC that triggers the “Liquidation Preference” as defined in Article XI, Section 6(a) of the FGIC Charter.
Preservation of Causes of Action	Treatment generally consistent with Section 7.9 of the Plan, with amendments as necessary for provisions that are no longer relevant after the Effective Date, including those providing for NYSDFS involvement.

Limitations on Operations and Reporting Requirements	None. Sections 7.10 and 7.11 to be deleted.
<u>General Provisions</u>	
Documentation	Each of the Amended Plan and Plan Approval Order will contain terms, conditions, representations, warranties, and covenants, each customary for the transactions described herein and be substantially consistent with the terms of this Term Sheet and in a form reasonably acceptable to FGIC and the Holders pursuant to the terms of the Transaction Support Agreement.
Retention of Jurisdiction	Section 8.1 of the Plan to be amended to remove language regarding Policy Crystallization Events.
Plan Applicable until Effective Date	<p>Except as may otherwise be ordered by the Rehabilitation Court, with respect to periods preceding the Effective Date, the Plan and all orders from the Rehabilitation Court will remain in full force and effect in all respects, including with respect to:</p> <ul style="list-style-type: none"> • allowance, determination, payment and dispute of Claims; • disallowance of Claims not filed in accordance with the timing and other requirements of the Plan; • the validity of any action, determination or other matter effected prior to the Effective Date pursuant to the Plan. <p>With effect from and after the Effective Date, the Amended Plan shall supersede the Plan and, to the extent inconsistent with the Amended Plan, all orders from the Rehabilitation Court, in all respects.</p>

Annex 1: Permitted Policy Distributions

	Name	CUSIP	Permitted Policy Distributions ⁽¹⁾	Total Original Face	Permitted Policy Dist. per \$1,000 Original Face
Policy: 02010977	Puerto Rico, Commonwealth GO 2002	69366SAA9	\$1,213,431.03	\$13,970,000.00	\$86.86
	Puerto Rico, Commonwealth GO 2002	69367SAA8	1,430,697.93	14,520,000.00	98.53
	Puerto Rico, Commonwealth GO 2002	69370SAA3	1,685,355.74	15,185,000.00	110.99
	Puerto Rico, Commonwealth GO 2002	69372SAA1	1,898,944.14	15,415,000.00	123.19
	Puerto Rico, Commonwealth GO 2002	69373SAA0	2,189,536.69	16,210,000.00	135.07
	Puerto Rico, Commonwealth GO 2002	69374SAA9	2,164,717.11	14,785,000.00	146.41
	Puerto Rico, Commonwealth GO 2002	69375SAA8	2,346,704.07	17,210,000.00	136.36
				\$12,929,386.71	\$107,295,000.00
Policy: 02011035	Puerto Rico, Commonwealth GO RFD 2002	69376FAA5	\$1,171,622.72	\$13,460,000.00	\$87.04
	Puerto Rico, Commonwealth GO RFD 2002	69376GAA3	1,386,263.54	14,060,000.00	98.60
			\$2,557,886.26	\$27,520,000.00	\$92.95
Policy: 02020067	Puerto Rico, Commonwealth GO	69376UAA2	\$633,551.70	\$3,320,701.00	\$190.79
			\$633,551.70	\$3,320,701.00	\$190.79
Policy: 02020079	Puerto Rico, Commonwealth GO	69376VAA0	\$153,496.62	\$664,299.50	\$231.07
			\$153,496.62	\$664,299.50	\$231.07
Policy: 03010007	Puerto Rico Public Building Authority FwdRfdg 2003	69362CAA8	\$116,439.04	\$7,830,000.00	\$14.87
			\$116,439.04	\$7,830,000.00	\$14.87
Policy: 03010506	Puerto Rico Highway & Transportation 2003	69378NAA6	\$1,328,631.75	\$5,125,000.00	\$259.25
	Puerto Rico Highway & Transportation 2003	69378RAA7	177,473.38	700,000.00	253.53
	Puerto Rico Highway & Transportation 2003	69378SAA5	203,660.79	790,000.00	257.80
	Puerto Rico Highway & Transportation 2003	69378TAA3	195,118.89	730,000.00	267.29
	Puerto Rico Highway & Transportation 2003	69378JAA5	1,352,088.49	5,675,000.00	238.25
	Puerto Rico Highway & Transportation 2003	69378MAA8	76,210.22	235,000.00	324.30
	Puerto Rico Highway & Transportation 2003	69378QAA9	39,978.03	125,000.00	319.82
			\$3,373,161.55	\$13,380,000.00	\$252.10
Policy: 03010507	Puerto Rico Highway & Transportation Sub Lien 2003	69378BAA2	\$4,866,241.34	\$14,530,000.00	\$334.91
	Puerto Rico Highway & Transportation Sub Lien 2003	69378CAA0	155,638.43	440,000.00	353.72
	Puerto Rico Highway & Transportation Sub Lien 2003	69378DAA8	5,020,955.26	14,970,000.00	335.40
	Puerto Rico Highway & Transportation Sub Lien 2003	69378EAA6	38,578.20	110,000.00	350.71
		\$10,081,413.23	\$30,050,000.00	\$335.49	
Policy: 03020048	Puerto Rico Highway & Transportation Sub Lien 2003	69378HAA9	\$5,894,407.66	\$15,980,000.00	\$368.86
			\$5,894,407.66	\$15,980,000.00	\$368.86
Policy: 03020049	Puerto Rico Highway & Transportation Sub Lien 2003	69378GAA1	\$3,663,807.64	\$10,175,000.00	\$360.08
			\$3,663,807.64	\$10,175,000.00	\$360.08
Policy: 03020051	Puerto Rico Highway & Transportation Sub Lien 2003	69378FAA3	\$2,429,055.98	\$6,940,000.00	\$350.01
			\$2,429,055.98	\$6,940,000.00	\$350.01
Policy: 03020060	Puerto Rico, Commonwealth GO	69376WAA8	\$227,771.79	\$1,830,000.00	\$124.47
			\$227,771.79	\$1,830,000.00	\$124.47
Policy: 03020072	Puerto Rico, Commonwealth GO	69376XAA6	\$4,599,231.00	\$24,785,000.00	\$185.57
			\$4,599,231.00	\$24,785,000.00	\$185.57
Policy: 04010258	Puerto Rico Highway & Trans, PR Sen Lien 04	69378UAA0	\$124,699.00	\$480,000.00	\$259.79
	Puerto Rico Highway & Trans, PR Sen Lien 04	69378VAA8	127,836.94	500,000.00	255.67
	Puerto Rico Highway & Trans, PR Sen Lien 04	69378WAA6	135,686.02	520,000.00	260.93
	Puerto Rico Highway & Trans, PR Sen Lien 04	69378XAA4	138,041.24	515,000.00	268.04
	Puerto Rico Highway & Trans, PR Sen Lien 04	69378YAA2	125,852.02	450,000.00	279.67
	Puerto Rico Highway & Trans, PR Sen Lien 04	69379CAA9	3,062,051.16	12,125,000.00	252.54
	Puerto Rico Highway & Trans, PR Sen Lien 04	69379DAA7	4,819,371.75	8,350,000.00	577.17
	Puerto Rico Highway & Trans, PR Sen Lien 04	69379EAA5	7,276,227.14	12,635,000.00	575.88
	Puerto Rico Highway & Trans, PR Sen Lien 04	69379FAA2	8,956,109.85	15,557,000.00	575.70
	Puerto Rico Highway & Trans, PR Sen Lien 04	69379GAA0	1,611,471.45	6,839,000.00	235.63
	Puerto Rico Highway & Trans, PR Sen Lien 04	69379BAA1	2,154,779.47	8,355,000.00	257.90
	Puerto Rico Highway & Trans, PR Sen Lien 04	69379JAA4	1,073,388.66	4,365,000.00	245.91
			\$29,605,514.70	\$70,691,000.00	\$418.80

	Name	CUSIP	Permitted Policy Distributions ⁽¹⁾	Total Original Face	Permitted Policy Dist. per \$1,000 Original Face
Policy: 05010416	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69362JAA3	\$1,138,863.08	\$4,245,000.00	\$268.28
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69362KAA0	1,166,904.27	4,265,000.00	273.60
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69362MAA6	1,281,015.91	4,600,000.00	278.48
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69362PAA9	1,349,146.29	4,760,000.00	283.43
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69363BAA9	1,898,545.73	5,835,000.00	325.37
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69363CAA7	3,120,969.00	4,285,000.00	728.35
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69363DAA5	2,766,821.86	3,780,000.00	731.96
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69363EAA3	3,075,572.02	4,190,000.00	734.03
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69363GAA8	2,833,690.33	3,845,000.00	736.98
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69365SAA0	2,544,251.63	3,440,000.00	739.61
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69359SAA8	30,377,145.56	66,883,000.00	454.18
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69360AAA4	29,955,769.44	69,525,000.00	430.86
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69360DAA8	16,166,682.88	39,547,000.00	408.80
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69360SAA5	22,315,900.98	57,663,000.00	387.01
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69361RAA6	17,712,712.14	76,689,000.00	230.97
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69361SAA4	15,104,058.71	78,015,000.00	193.60
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69362SAA3	10,718,918.64	36,482,000.00	293.81
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69362VAA6	10,671,331.22	35,127,000.00	303.79
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69362XAA2	9,178,286.02	29,361,000.00	312.60
	Puerto Rico Infras Fin Auth, PR, Spec Tax Rev 05AB	69363AAA1	12,114,597.39	37,177,000.00	325.86
			\$195,491,183.10	\$569,714,000.00	\$343.14
Policy: 05010655	Puerto Rico Highway & Trans, PR Rev Ser K,L and BB	69379KAA1	\$5,061,139.97	\$19,875,000.00	\$254.65
	Puerto Rico Highway & Trans, PR Rev Ser K,L and BB	69379LAA9	1,946,918.05	7,410,000.00	262.74
	Puerto Rico Highway & Trans, PR Rev Ser K,L and BB	69379MAA7	1,465,181.10	2,460,000.00	595.60
			\$8,473,239.12	\$29,745,000.00	\$284.86
Policy: 06010122	Puerto Rico Conv Ctr Dist Auth, PR Hotel Rev 06A	69354SAA3	\$596,891.36	\$2,390,000.00	\$249.75
	Puerto Rico Conv Ctr Dist Auth, PR Hotel Rev 06A	69356SAA1	2,369,120.22	9,230,000.00	256.68
	Puerto Rico Conv Ctr Dist Auth, PR Hotel Rev 06A	69357SAA0	3,147,152.23	12,990,000.00	242.27
	Puerto Rico Conv Ctr Dist Auth, PR Hotel Rev 06A	69358SAA9	3,032,289.72	12,015,000.00	252.38
	Puerto Rico Conv Ctr Dist Auth, PR Hotel Rev 06A	69368SAA7	8,203,190.97	13,645,000.00	601.19
	Puerto Rico Conv Ctr Dist Auth, PR Hotel Rev 06A	69369SAA6	10,048,735.09	16,725,000.00	600.82
	Puerto Rico Conv Ctr Dist Auth, PR Hotel Rev 06A	69356XAA0	2,437,745.09	4,175,000.00	583.89
	Puerto Rico Conv Ctr Dist Auth, PR Hotel Rev 06A	69356WAA2	7,894,901.75	13,125,000.00	601.52
				\$37,730,026.43	\$84,295,000.00
Policy: 06010316	Puerto Rico Commonwealth, PR Pub Imp GO Ref 2006B	69376YAA4	\$1,666,217.10	\$19,651,000.00	\$84.79
			\$1,666,217.10	\$19,651,000.00	\$84.79
Policy: 07010057	Puerto Rico Highway & Trans, PR Rev Ser M, N, CC,	69379NAA5	\$130,490,215.58	\$227,197,500.00	\$574.35
			\$130,490,215.58	\$227,197,500.00	\$574.35
Policy: 07010415	Puerto Rico Commonwealth, PR Pub Imp GO Ref 2007	69376SAA7	\$3,365,910.48	\$23,080,000.00	\$145.84
	Puerto Rico Commonwealth, PR Pub Imp GO Ref 2007	69376TAA5	3,819,383.79	28,060,000.00	136.11
			\$7,185,294.27	\$51,140,000.00	\$140.50
Policy: 05030012	Ace 2005-SN1, Class A-2	004421MV2	\$1,314,137.14	\$58,680,000.00	\$22.39
			\$1,314,137.14	\$58,680,000.00	\$22.39
Policy: 98010477	Alliance 1998-2	00105HDM5	\$5,757.37	\$266,000,000.00	\$0.02
	Alliance 1998-2	00105HDN3	4,912.32	199,000,000.00	0.02
			\$10,669.69	\$465,000,000.00	\$0.02
Policy: 99010499	Alliance 1999-2	00105HDZ6	\$930,629.25	\$375,000,000.00	\$2.48
	Alliance 1999-2	00105HEA0	1,140,091.27	325,000,000.00	3.51
			\$2,070,720.52	\$700,000,000.00	\$2.96
Policy: 99010727	Alliance 1999-3	00105HEB8	\$715,906.30	\$315,000,000.00	\$2.27
	Alliance 1999-3	00105HEC6	647,391.96	200,000,000.00	3.24
			\$1,363,298.26	\$515,000,000.00	\$2.65
Policy: 99010986	Alliance 1999-4	00105HED4	\$1,711,802.44	\$350,000,000.00	\$4.89
	Alliance 1999-4	00105HEE2	1,554,924.08	250,000,000.00	6.22
			\$3,266,726.52	\$600,000,000.00	\$5.44
Policy: 00010174	Alliance 2000-1	00105HEH5	\$721,555.43	\$139,000,000.00	\$5.19
			\$721,555.43	\$139,000,000.00	\$5.19
Policy: 05030007	American Home Mortgage 2005-1, Class IX-A	02660TDZ3	\$2,158,736.15	\$168,980,000.00	\$12.78
			\$2,158,736.15	\$168,980,000.00	\$12.78
Policy: 05030037	American Home Mortgage 2005-2, Class VI-A	02660TEV1	\$4,542,275.65	\$237,840,000.00	\$19.10
			\$4,542,275.65	\$237,840,000.00	\$19.10
Policy: 05030101	American Home Mortgage 2005-4, Class II-A	02660TGR8	\$5,562,889.57	\$197,333,000.00	\$28.19
			\$5,562,889.57	\$197,333,000.00	\$28.19
Policy: 05030018	AMLT 2005-W1	040104MX6	\$1,678,656.72	\$1,185,762,000.00	\$1.42
	AMLT 2005-W1	040104MY4	1,966,535.97	1,232,988,000.00	1.59
			\$3,645,192.69	\$2,418,750,000.00	\$1.51

	Name	CUSIP	Permitted Policy Distributions ⁽¹⁾	Total Original Face	Permitted Policy Dist. per \$1,000 Original Face
Policy: 07030034	BARN 2007-1, Class N-1	070124AA0	\$102,966,533.64	\$475,000,000.00	\$216.77
			\$102,966,533.64	\$475,000,000.00	\$216.77
Policy: 05030130	Bayview 2005-D, Class A-F5	07325NCC4	\$20.70	\$20,189,000.00	\$0.00
			\$20.70	\$20,189,000.00	\$0.00
Policy: 85010362	Brevard Cnty Housing Finance A	107417GK7	\$158,102.77	\$2,423,853.90	\$65.23
			\$158,102.77	\$2,423,853.90	\$65.23
Policy: 05030067	BSABS 2005-AC5, Class 1-A3	073879ZY7	\$332,730.20	\$75,000,000.00	\$4.44
			\$332,730.20	\$75,000,000.00	\$4.44
Policy: 05030082	BSABS 2005-AC6, Class IA3 and IA4	073879L55	\$579,635.34	\$75,000,000.00	\$7.73
	BSABS 2005-AC6, Class IA3 and IA4	073879L63	502,721.62	65,048,000.00	7.73
			\$1,082,356.96	\$140,048,000.00	\$7.73
Policy: 05030141	BSABS 2005-AC9, Class A-5	0738794J4	\$4,155,570.89	\$75,000,000.00	\$55.41
			\$4,155,570.89	\$75,000,000.00	\$55.41
Policy: 06030015	BSABS 2006-AC1	07387UCF6	\$7,467,831.12	\$75,000,000.00	\$99.57
			\$7,467,831.12	\$75,000,000.00	\$99.57
Policy: 07030029	BSABS 2007-SD3, Class A	07387LAA9	\$3,686,419.20	\$417,699,000.00	\$8.83
			\$3,686,419.20	\$417,699,000.00	\$8.83
Policy: 06030036	Citigroup Mortgage Loan Trust 2006-WF1, Class A-2D	17307G4J4	\$7,180,102.35	\$58,251,000.00	\$123.26
			\$7,180,102.35	\$58,251,000.00	\$123.26
Policy: 06030040	Citigroup Mortgage Loan Trust 2006-WF1, Class A-2E	17307G4K1	\$4,308,719.21	\$37,021,000.00	\$116.39
			\$4,308,719.21	\$37,021,000.00	\$116.39
Policy: 05030081	CMLTI 2005-WF2, Class AF-6B	17307GVM7	\$1,176,774.30	\$52,540,000.00	\$22.40
			\$1,176,774.30	\$52,540,000.00	\$22.40
Policy: 95010094	ContiMortgage 1995-1	21075WBA2	\$497,244.35	\$57,500,000.00	\$8.65
	ContiMortgage 1995-1	21075WAV7	5,156.36	232,054,309.00	0.02
	ContiMortgage 1995-1	21075WAW5	1,149.18	142,945,691.00	0.01
			\$503,549.89	\$432,500,000.00	\$1.16
Policy: 95010174	ContiMortgage 1995-2	21075WBF1	\$245,731.15	\$35,836,000.00	\$6.86
			\$245,731.15	\$35,836,000.00	\$6.86
Policy: 95010503	ContiMortgage 1995-4	21075WBX2	\$457,798.68	\$26,173,838.00	\$17.49
			\$457,798.68	\$26,173,838.00	\$17.49
Policy: 96010085	ContiMortgage 1996-1	21075WCJ2	\$544,607.82	\$40,977,000.00	\$13.29
	ContiMortgage 1996-1	21075WCL7	11,853.68	573,000,000.00	0.02
			\$556,461.50	\$613,977,000.00	\$0.91
Policy: 06030043	CSFB HEMT 2006-2	225470W58	\$10,768,559.12	\$240,000,000.00	\$44.87
			\$10,768,559.12	\$240,000,000.00	\$44.87
Policy: 04030054	CWABS 2004-U	126673VD1	\$0.00	\$245,000,000.00	\$0.00
	CWABS 2004-U	126673VE9	0.00	455,000,000.00	0.00
			\$0.00	\$700,000,000.00	\$0.00
Policy: 05030009	CWHEQ 2005-B	126685AA4	\$0.00	\$757,524,000.00	\$0.00
	CWHEQ 2005-B	126685AB2	0.00	1,042,476,000.00	0.00
			\$0.00	\$1,800,000,000.00	\$0.00
Policy: 05030105	CWHEQ 2005-G	126685AL0	\$0.00	\$846,450,000.00	\$0.00
	CWHEQ 2005-G	126685AM8	0.00	925,425,000.00	0.00
			\$0.00	\$1,771,875,000.00	\$0.00
Policy: 05030106	CWHEQ 2005-H	126685AN6	\$0.00	\$884,925,000.00	\$0.00
	CWHEQ 2005-H	126685AP1	0.00	886,950,000.00	0.00
			\$0.00	\$1,771,875,000.00	\$0.00
Policy: 06030115	CWHEQ 2006-H	126686AB0	\$34,533,042.44	\$1,320,000,000.00	\$26.16
	CWHEQ 2006-H	126686AC8	13,080,697.89	500,000,000.00	26.16
			\$47,613,740.33	\$1,820,000,000.00	\$26.16
Policy: 06030039	CWHEQ 2006-S2	126685DX1	\$15,762,127.60	\$258,112,000.00	\$61.07
	CWHEQ 2006-S2	126685DY9	4,952,975.18	49,196,000.00	100.68
	CWHEQ 2006-S2	126685DZ6	8,580,435.90	105,000,000.00	81.72
	CWHEQ 2006-S2	126685DW3	5,970,612.29	112,692,000.00	52.98
			\$35,266,150.97	\$525,000,000.00	\$67.17
Policy: 06030081	CWHEQ 2006-S3	23242MAB7	\$16,186,430.57	\$182,278,000.00	\$88.80
	CWHEQ 2006-S3	23242MAC5	3,592,120.09	73,715,000.00	48.73
	CWHEQ 2006-S3	23242MAD3	5,642,346.36	104,750,000.00	53.86
	CWHEQ 2006-S3	23242MAE1	9,303,032.37	100,000,000.00	93.03
	CWHEQ 2006-S3	23242MAA9	5,437,408.49	539,257,000.00	10.08
			\$40,161,337.88	\$1,000,000,000.00	\$40.16

	Name	CUSIP	Permitted Policy Distributions ⁽¹⁾	Total Original Face	Permitted Policy Dist. per \$1,000 Original Face
Policy: 06030111	CWHEQ 2006-S5	126683AC5	\$17,260,314.32	\$181,818,000.00	\$94.93
	CWHEQ 2006-S5	126683AD3	3,457,729.76	69,023,000.00	50.10
	CWHEQ 2006-S5	126683AE1	3,516,624.87	78,095,000.00	45.03
	CWHEQ 2006-S5	126683AF8	10,270,050.81	90,000,000.00	114.11
	CWHEQ 2006-S5	126683AA9	1,419,690.39	374,864,000.00	3.79
	CWHEQ 2006-S5	126683AB7	10,360,948.33	106,200,000.00	97.56
			\$46,285,358.48	\$900,000,000.00	\$51.43
Policy: 07030017	CWHEQ 2007-C	12670CAA5	\$6,134,253.96	\$950,000,000.00	\$6.46
			\$6,134,253.96	\$950,000,000.00	\$6.46
Policy: 05010400	Detroit (City of), MI Pension Obl COPs 05	25113PAL9	\$12,555,443.76	\$33,275,000.00	\$377.32
	Detroit (City of), MI Pension Obl COPs 05	25113PAM7	71,327,392.20	188,485,000.00	378.42
	Detroit (City of), MI Pension Obl COPs 05	25113PAN5	86,774,500.68	228,855,000.00	379.17
			\$170,657,336.64	\$450,615,000.00	\$378.72
Policy: 06010249	Detroit (City of), MI Pension Obl Taxable COPs 06	251228AA0	\$57,432,323.77	\$148,540,000.00	\$386.65
			\$57,432,323.77	\$148,540,000.00	\$386.65
Policy: 06010250	Detroit (City of), MI Pension Obl Taxable COPs 06	251228AC6	\$174,425,366.00	\$500,845,000.00	\$348.26
			\$174,425,366.00	\$500,845,000.00	\$348.26
Policy: 06010252	Detroit (City of), MI Pension Obl Taxable COPs 06	251228AC6	\$3,586,784.60	\$500,845,000.00	\$7.16
			\$3,586,784.60	\$500,845,000.00	\$7.16
Policy: 06010253	Detroit (City of), MI Pension Obl Taxable COPs 06	251228AC6	\$2,253,724.84	\$500,845,000.00	\$4.50
			\$2,253,724.84	\$500,845,000.00	\$4.50
Policy: 06010254	Detroit (City of), MI Pension Obl Taxable COPs 06	251228AC6	\$6,520,589.82	\$500,845,000.00	\$13.02
			\$6,520,589.82	\$500,845,000.00	\$13.02
Policy: 06010255	Detroit (City of), MI Pension Obl Taxable COPs 06	251228AC6	\$6,520,589.82	\$500,845,000.00	\$13.02
			\$6,520,589.82	\$500,845,000.00	\$13.02
Policy: 93010162	DLJ 1993-4	23321PCN6	\$8,145.66	\$83,940,773.51	\$0.10
			\$8,145.66	\$83,940,773.51	\$0.10
Policy: 94010184	Equicon Loan Trust 1994-1	294419AD8	0.00	\$0.00	\$0.00
			\$0.00	\$0.00	\$0.00
Policy: 96010245	EquiVantage 1996-2	29476YAK5	\$202.73	\$15,429,000.00	\$0.01
			\$202.73	\$15,429,000.00	\$0.01
Policy: 97010145	EquiVantage 1997-1	29476YAS8	\$7.78	\$13,700,000.00	\$0.00
	EquiVantage 1997-1	29476YAT6	7.78	7,000,000.00	0.00
	EquiVantage 1997-1	29476YAU3	7.78	15,000,000.00	0.00
			\$23.34	\$35,700,000.00	\$0.00
Policy: 85010475	Escambia County Housing Financ	296122ED2	\$136,708.00	\$1,654,798.51	\$82.61
			\$136,708.00	\$1,654,798.51	\$82.61
Policy: 85010074	Galveston Cty Housing Finance	364216CA7	\$1,000,461.34	\$3,442,649.11	\$290.61
			\$1,000,461.34	\$3,442,649.11	\$290.61
Policy: 05030046	Hedged Mutual Fund Fee Trust 2005-2	422777AN2	\$11,655,573.09	\$256,000,000.00	\$45.53
			\$11,655,573.09	\$256,000,000.00	\$45.53
Policy: 07030018	Hedged Mutual Fund Fee Trust 2007-1	422777TAA2	\$2,967,124.55	\$220,250,000.00	\$13.47
			\$2,967,124.55	\$220,250,000.00	\$13.47
Policy: 85010334	Housing Finance Authority of Broward County, FL	115029NL0	\$317,891.39	\$357,306.00	\$889.69
			\$317,891.39	\$357,306.00	\$889.69
Policy: 85010212	Housing Finance Authority of Manatee County, FL	561842FQ3	\$79,133.94	\$8,815,000.00	\$8.98
			\$79,133.94	\$8,815,000.00	\$8.98
Policy: 04030037	Impac CMB Trust 2004-8	45254NKQ9	\$0.00	\$635,985,000.00	\$0.00
	Impac CMB Trust 2004-8	45254NKR7	0.00	745,195,000.00	0.00
	Impac CMB Trust 2004-8	45254NKS5	0.00	121,312,000.00	0.00
			\$0.00	\$1,502,492,000.00	\$0.00
Policy: 04030046	Impac CMB Trust 2004-10	45254NLJ4	\$326,867.18	\$844,039,000.00	\$0.39
	Impac CMB Trust 2004-10	45254NLK1	41,452.38	173,489,000.00	0.24
	Impac CMB Trust 2004-10	45254NLL9	270,299.85	681,725,000.00	0.40
			\$638,619.41	\$1,699,253,000.00	\$0.38
Policy: 04030053	Impac CMB Trust 2004-11	45254NLZ8	\$5,869,559.44	\$695,000,000.00	\$8.45
	Impac CMB Trust 2004-11	45254NMA2	1,512,104.74	178,348,000.00	8.48
			\$7,381,664.18	\$873,348,000.00	\$8.45
Policy: 05030039	IndyMac 2005-L1	456606HF2	\$8,750,927.36	\$242,000,000.00	\$36.16
			\$8,750,927.36	\$242,000,000.00	\$36.16

	Name	CUSIP	Permitted Policy Distributions ⁽¹⁾	Total Original Face	Permitted Policy Dist. per \$1,000 Original Face
Policy: 05030094	IndyMac 2005-L2	456606HK1	\$5,674,173.82	\$95,000,000.00	\$59.73
	IndyMac 2005-L2	456606HL9	8,790,055.64	147,125,000.00	59.75
			\$14,464,229.46	\$242,125,000.00	\$59.74
Policy: 05030154	IndyMac 2005-L3	456606JY9	\$17,475,579.42	\$243,500,000.00	\$71.77
			\$17,475,579.42	\$243,500,000.00	\$71.77
Policy: 06030041	IndyMac 2006-H1	456606MZ2	\$12,348,559.94	\$490,253,000.00	\$25.19
			\$12,348,559.94	\$490,253,000.00	\$25.19
Policy: 06030074	IndyMac 2006-L2	45661FAB7	\$902,545.39	\$67,559,000.00	\$13.36
	IndyMac 2006-L2	45661FAC5	19,488,561.02	28,105,000.00	693.42
			\$20,391,106.41	\$95,664,000.00	\$213.15
Policy: 06030050 ⁽²⁾	IndyMac INDS 2006-1	437089AC9	\$6,589,830.11	\$39,672,000.00	\$166.11
	IndyMac INDS 2006-1	437089AD7	14,468,962.48	25,131,000.00	575.74
	IndyMac INDS 2006-1	437089AE5	1,670,382.22	29,701,000.00	56.24
		\$22,729,174.81	\$94,504,000.00	\$240.51	
Policy: 06030093	IndyMac INDS 2006-2B	43709KAA7	\$29,361,294.67	\$585,242,000.00	\$50.17
			\$29,361,294.67	\$585,242,000.00	\$50.17
Policy: 06030089	Irwin 2006-2 Class IIA	46412QAD9	\$5,192,194.89	\$35,771,000.00	\$145.15
	Irwin 2006-2 Class IIA	46412QAE7	9,006.57	21,348,000.00	0.42
			\$5,201,201.46	\$57,119,000.00	\$91.06
Policy: 97010082	Jefferson Cnty,AL Swr Ref 97AB	472682NW9	\$22,390.29	\$221,040,000.00	\$0.10
	Jefferson Cnty,AL Swr Ref 97AB	472682MC4	102,073.37	221,040,000.00	0.46
	Jefferson Cnty,AL Swr Ref 97AB	472682MD2	31,609.82	221,040,000.00	0.14
		\$156,073.48	\$663,120,000.00	\$0.24	
Policy: 01010225	Jefferson County, AL Swr 2001A	472682JG9	\$7,902.45	\$1,095,000.00	\$7.22
	Jefferson County, AL Swr 2001A	472682JH7	11,853.68	1,155,000.00	10.26
	Jefferson County, AL Swr 2001A	472682JM6	9,219.53	1,410,000.00	6.54
	Jefferson County, AL Swr 2001A	472682JN4	658.54	1,480,000.00	0.44
		\$29,634.20	\$5,140,000.00	\$5.77	
Policy: 03010448	Jefferson County, Alabama Swr Ser 2003-B	472682LL5	\$29,634.20	\$147,200,000.00	\$0.20
	Jefferson County, Alabama Swr Ser 2003-B	472682LM3	26,341.51	147,000,000.00	0.18
		\$55,975.71	\$294,200,000.00	\$0.19	
Policy: 03010824	Jefferson County, Alabama Swr Ser 2003-C	472682ND1	\$16,463.45	\$110,000,000.00	\$0.15
			\$16,463.45	\$110,000,000.00	\$0.15
Policy: 04030049	JP Morgan RV/ Marine Trust 2004	48122CAB1	\$501,657.29	\$32,170,000.00	\$15.59
			\$501,657.29	\$32,170,000.00	\$15.59
Policy: 05030122	MASTR 2005-AB1, Class A-3A and A-5A	57643LLA2	\$35,727.20	\$152,320,000.00	\$0.23
	MASTR 2005-AB1, Class A-3A and A-5A	57643LLD6	25,053,694.27	50,000,000.00	501.07
			\$25,089,421.47	\$202,320,000.00	\$124.01
Policy: 06030021	MASTR 2006-AB1, Class A-3A	57643LNV4	\$14,568,290.66	\$59,127,000.00	\$246.39
			\$14,568,290.66	\$59,127,000.00	\$246.39
Policy: 07030039	MSAC 2007-NC4	61755EAA6	\$41,654,372.97	\$208,600,000.00	\$199.69
	MSAC 2007-NC4	61755EAB4	36,131,694.63	337,200,000.00	107.15
	MSAC 2007-NC4	61755EAC2	17,840,834.07	68,250,000.00	261.40
	MSAC 2007-NC4	61755EAD0	43,132,322.31	165,000,000.00	261.41
	MSAC 2007-NC4	61755EAE8	25,298,360.44	96,775,000.00	261.41
		\$164,057,584.42	\$875,825,000.00	\$187.32	
Policy: 06030032	Quest Trust 2006-X1	748351AR4	\$15,854,687.65	\$95,600,000.00	\$165.84
	Quest Trust 2006-X1	748351AS2	2,474,538.83	11,365,000.00	217.73
		\$18,329,226.48	\$106,965,000.00	\$171.36	
Policy: 07080037	River Run Project (Harrison Hydro Finance Inc.)	IN0000179	\$5,938,562.12	\$185,758,514.00	\$31.97
			\$5,938,562.12	\$185,758,514.00	\$31.97
Policy: 07080038	River Run Project (Harrison Hydro Finance Inc.)	IN0000180	\$4,125,943.74	\$185,143,094.00	\$22.29
			\$4,125,943.74	\$185,143,094.00	\$22.29
Policy: 00010882	Sovereign 2000-1 HEL Trust	84604CAE7	\$1,048,529.12	\$32,864,000.00	\$31.91
	Sovereign 2000-1 HEL Trust	84604CAF4	688,598.11	22,000,000.00	31.30
	Sovereign 2000-1 HEL Trust	84604CAG2	1,187,947.17	150,000,000.00	7.92
		\$2,925,074.40	\$204,864,000.00	\$14.28	
Policy: 04030051	Terwin Mortgage Trust 2004-23	881561PM0	\$1,132,935.49	\$151,369,000.00	\$7.48
			\$1,132,935.49	\$151,369,000.00	\$7.48
Policy: 05030155	Terwin Mortgage Trust 2005-13SL	881561C77	\$6,696,573.02	\$284,945,000.00	\$23.50
	Terwin Mortgage Trust 2005-13SL	881561C85	58,186,074.81	105,390,000.00	552.10
	Terwin Mortgage Trust 2005-13SL	881561C93	999,473.90	58,016,000.00	17.23
		\$65,882,121.73	\$448,351,000.00	\$146.94	

	Name	CUSIP	Permitted Policy Distributions ⁽¹⁾	Total Original Face	Permitted Policy Dist. per \$1,000 Original Face
Policy: 06030028	Terwin Mortgage Trust 2006-2HGS	881561P24	\$3,841,552.72	\$392,880,000.00	\$9.78
	Terwin Mortgage Trust 2006-2HGS	881561P32	42,003,499.00	98,220,000.00	427.65
			\$45,845,051.72	\$491,100,000.00	\$93.35
Policy: 06030108	Terwin Mortgage Trust 2006-8SL	88156UAA8	\$60,050,337.99	\$506,940,000.00	\$118.46
	Terwin Mortgage Trust 2006-8SL	88156UAB6	53,989,084.07	126,735,000.00	426.00
			\$114,039,422.06	\$633,675,000.00	\$179.97
Gross Permitted Policy Distributions			\$1,841,463,379.47		
(-) Amounts Related to FGIC-Owned Instruments			(361,834,955.38)		
Total Permitted Policy Distributions (Net of Amounts Related to FGIC-Owned Instruments)			\$1,479,628,424.09		

(1) Permitted Policy Distribution will not be further reduced for Trustees' distributions after the Reference Date of payments made by FGIC prior to the Reference Date. For the avoidance of doubt, Permitted Policy Distributions will be reduced when FGIC makes any payment to a Policyholder (e.g., a Trustee), but will not be further reduced when the Trustee distributes such payment to holders

(2) DPO allocated based on the sequential structure in the trust documents, DPOA allocated based on outstanding principal balance, and future claims allocated based on outstanding principal balance assuming that DPO payments are sufficient to pay off principal of classes A-3 and A-5. Any payments made by the Trustee from cash received from the underlying collateral to classes A-3 and A-5 from the Reference Date to the Effective Date would reduce the Permitted Policy Distribution to classes A-3 and A-5 and increase the Permitted Policy Distribution to class A-4

Annex 2: Unpaid Reimbursement Policies

Policy	Name
04030054	CWABS 2004-U
05030009	CWHEQ 2005-B
05030105	CWHEQ 2005-G
05030106	CWHEQ 2005-H
07030017	CWHEQ 2007-C
04030046	Impac CMB Trust 2004-10
04030037	Impac CMB Trust 2004-8
06030088	Irwin 2006-2 Class IA & VFN
04030051	Terwin Mortgage Trust 2004-23

Annex 3: Retained Policy Claims Policies

Policy	Name
04030054	CWABS 2004-U
05030009	CWHEQ 2005-B
05030105	CWHEQ 2005-G
05030106	CWHEQ 2005-H
04030037	Impac CMB Trust 2004-8

Annex 4: Novated Policies

Policy	Name
95010382	Struct Asset Secur Corp 95-2A
96010026	Adelanto Imp. Agency - Ser 95
97010571	AFC Mortgage Trust (Alliance) 1997-3
97010804	AFC Mortgage Trust (Alliance) 1997-4
98010289	AFC Mortgage Trust (Alliance) 1998-1
98010855	AFC Mortgage Trust (Alliance) 1998-3
98010857	UCFC LOAN TRUST 1998-C
98011028	AFC Mortgage Trust (Alliance) 1998-4
98011055	Detroit Pub Schools,MI GO98ABC
99010054	AFC Mortgage Trust (Alliance) 1999-1
00020040	407 International Inc. Series 1999-A3 - Secondary Market
04010514	Tehachapi Valley HC Dist, CA GO (Elect 2004) 04A
04030011	Accredited Mortgage Loan Trust 2004-2
04030025	New Century HEL Trust 2004-A (FRMS)
04030027	DMSI 2004-5, Class A-4A, A-5A, A-5B
04030029	Argent Securities Inc. Trust - 2004-W10
05010189	City of Detroit, MI, Water Supply Senior Lien Revenue Bonds, 2005-B
05030010	Impac CMB Trust 2005-3
05080001	Premier Transmission Financing PLC - 2005
05080003	Premier Transmission Financing PLC 2005 - RBC Swap
05080008	Premier Transmission Financing PLC - 2005 - BNP Paribas Swap
06010315	NYC IDA (Yankee Ballpark LLC) 2006
06010335	NYCIDA (Yankee Stadium) 2006 – Strike Surety
06010355	NYCIDA (Yankee Stadium) 2006 – Goldman Swap Surety
06030073	SLM Private Credit Student Loan Trust 2006-B A5 - Secondary Market
07010017	Fort Benning Family Housing Committees LLC, Military Housing Bonds, 2006 - Secondary Market
07010370	Green Stadco (NY Jets Stadium)
07010371	Green Stadco (NY Jets Stadium) – Reserve Fund Surety
07010373	Green Stadco (NY Jets Stadium) – Citibank Swap Surety
07010374	Green Stadco (NY Jets Stadium) – Strike Surety
07080034	Rembrandt Australia Trust 2007-1 CPI Index Linked
07080035	Rembrandt Australia Trust 2007-1 Fixed Annuity

Exhibit B

Form of Joinder