

NOVATION AGREEMENT

This NOVATION AGREEMENT, dated as of February 8, 2024 (this “Agreement”), by and between Financial Guaranty Insurance Company, a New York stock insurance company (“FGIC”), and Assured Guaranty Corp., a Maryland-domiciled financial guaranty insurer licensed in the State of New York (“AGC” and, together with FGIC, the “Parties”).

RECITALS

WHEREAS, FGIC desires to transfer by novation to AGC the Novated Policies, the Novated Policy Liabilities and the Novated Policy Rights (in each case as defined below), and AGC desires to accept such transfer by novation and assume the Novated Policies, the Novated Policy Liabilities and the Novated Policy Rights as its direct rights, liabilities and obligations in substitution for FGIC thereunder or with respect thereto, all on the terms and subject to the conditions provided herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

- (a) “ACW” shall have the meaning set forth in Section 4.2 of this Agreement.
- (b) “Affiliate” means, with respect to any particular Person, any other Person which, directly or indirectly, controls or is controlled by or under common control with such particular Person. A Person will be “controlled by” any other Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, contract, or otherwise.
- (c) “AG Re” means Assured Guaranty Re Ltd.
- (d) “AGC” shall have the meaning set forth in the preamble to this Agreement.
- (e) “Agreement” shall have the meaning set forth in the preamble to this Agreement.
- (f) “Amended Plan” means the amended Plan, including the Plan Supplement, as approved by an order entered by the Rehabilitation Court in the Rehabilitation Proceeding.
- (g) “Business Day” means any day other than a day on which banks in the State of New York are permitted or required to be closed.

- (h) “Documents” shall have the meaning set forth in Section 3.1(b) of this Agreement.
- (i) “DPO” shall have the meaning set forth in the Plan.
- (j) “Excluded Liabilities” means any (i) FGIC Extra Contractual Obligations, (ii) Liabilities of FGIC arising out of or relating to any agreement, contract, commitment, promise, instrument or other document included in clause (ii) of the definition of Novated Policy Rights, which were incurred, existed, or arose during the period before the Novation Effective Date, or (iii) Liabilities of FGIC arising out of or related to FGIC’s entry into this Agreement and the consummation of the transactions contemplated hereby.
- (k) “Fee” shall have the meaning set forth in Section 4.1 of this Agreement.
- (l) “FGIC” shall have the meaning set forth in the preamble to this Agreement.
- (m) “FGIC Extra Contractual Obligations” means any and all Liabilities (i) for compensatory, consequential, exemplary, punitive or similar damages which directly relate to any alleged or actual act, error, omission, fraud or misrepresentation by FGIC, any of its Affiliates or any of its or its Affiliates’ officers or employees, whether intentional or otherwise, or (ii) from any actual or alleged reckless conduct or bad faith by FGIC, any of its Affiliates or any of its or its Affiliates’ officers or employees in connection with FGIC’s handling of any claim under any of the Novated Policies (including the settlement, defense of, or appeal of any claim) or in connection with the issuance, offer, sale, delivery, cancellation or administration by FGIC or any of its Affiliates or any of its or its Affiliates’ officers or employees of any of the Novated Policies.
- (n) “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 (i) 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 (ii) if an appeal, writ of *certiorari*, new trial, reargument or rehearing thereof has been sought, (a) 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 (b) the time to take any further appeal, petition for *certiorari*, or move for a new trial, reargument or rehearing shall have expired; *provided, however*, 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.

- (o) “Governmental Authority” means any federal, state, local or foreign government or any subdivision, agency, instrumentality, authority, self-regulatory organization, department, commission, board or bureau thereof or any federal, state, local or foreign court or tribunal.
- (p) “Liabilities” means any and all claims, losses, exposures, risks, liabilities, expenses and other obligations of any kind or nature, whether based in contract, tort or otherwise, whether known, unknown, asserted, not asserted, absolute, contingent, accrued, unaccrued, disputed, undisputed, or otherwise, and whether incurred, existing or arising before, on or after the Novation Effective Date.
- (q) “Novated Policy” means any policy, insurance contract, surety bond, financial guarantee, or similar instrument or contract issued or written by FGIC, which is listed on Schedule 1 attached hereto, in each case without giving effect to any amendment thereof or other modification thereto under the Plan; *provided, however,* that any such policy, insurance contract, surety bond, financial guarantee or similar instrument or contract issued or written by FGIC that has, as of the date of execution of this Agreement, or as of the Novation Effective Date, an outstanding DPO shall not be considered a Novated Policy unless such DPO is paid by FGIC, or otherwise resolved or extinguished at no cost to AGC or its Affiliates, on or prior to the Novation Effective Date.
- (r) “Novated Policy Liabilities” means (i) the Liabilities of FGIC under the express terms and conditions of the Novated Policies and (ii) the obligations of FGIC, if any, as the original insurer, surety or similar capacity under the Novated Policies, under any agreement, contract, instrument or other document relating to the Novated Policies or any obligations insured by the Novated Policies, which may arise during the period from and after the Novation Effective Date, in each case of clauses (i) and (ii), without giving effect to any amendment or other modification thereto under the Plan or any acceleration or expansion thereof or other change thereto arising from or relating to the Rehabilitation or the Rehabilitation Circumstances, and other than any Excluded Liabilities.
- (s) “Novated Policy Rights” means (i) the rights of FGIC under or with respect to the Novated Policies and (ii) the rights of FGIC, as the original insurer, surety or similar capacity under the Novated Policies, under any agreement, contract, instrument or other document relating to the Novated Policies or any obligations insured by the Novated Policies, in each case of clauses (i) and (ii) (a) without giving effect to any amendment thereof or other modification thereto under the Plan, and (b) without any loss or diminution thereof, or other adverse effect thereon, arising from or relating to the Rehabilitation or the Rehabilitation Circumstances, including the rights of FGIC to receive premiums, fees, other compensation, recoveries, subrogation, and salvage that have accrued or may accrue under or with respect to the Novated Policies; *provided, however,* that such rights of FGIC to receive premiums, fees, or other compensation shall not include any thereof that have accrued or been paid or may accrue or be paid prior to the

Novation Effective Date. Novated Policy Rights shall not include any reinsurance coverage of risks under the Novated Policies or FGIC's rights thereunder.

- (t) "Novated Policyholder" means for each Novated Policy the holder or beneficiary of such Novated Policy as set forth therein.
- (u) "Novation Effective Date" means the first date, if any, on which (i) all conditions to the effectiveness of the Amended Plan are either satisfied or waived pursuant to the terms of the Amended Plan, (ii) the Rehabilitation Court Order (A) is in full force and effect and (B) is a Final Order, provided that FGIC may waive in writing the requirement that the Rehabilitation Court Order be a Final Order, and (iii) FGIC shall have paid to AGC, by wire transfer of immediately available funds to the bank account specified in writing by AGC no later than three Business Days prior to such payment, the Novation Payment.
- (v) "Novation Endorsement" shall have the meaning set forth in Section 2.4 of this Agreement.
- (w) "Novation Payment" means the sum of \$32,000,000.00 (Thirty-Two Million U.S. Dollars).
- (x) "Parties" shall have the meaning set forth in the preamble to this Agreement.
- (y) "Person" means an individual, corporation, limited liability company, association, joint-stock company, business trust or other similar organization, partnership, joint venture, trust, unincorporated organization or government or any agency, instrumentality or political subdivision thereof.
- (z) "Plan" means the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013.
- (aa) "Plan Supplement" means the set of documents filed with the Rehabilitation Court (as may be modified, amended or supplemented from time to time) in one or more compendiums, which are relevant to the implementation of the Amended Plan and which shall, among other things, include this Agreement.
- (bb) "Records" shall have the meaning set forth in Section 3.2(b) of this Agreement.
- (cc) "Rehabilitation" shall have the meaning set forth in the Plan.
- (dd) "Rehabilitation Circumstances" shall have the meaning set forth in the Plan.
- (ee) "Rehabilitation Court" means the Supreme Court of the State of New York, County of New York.
- (ff) "Rehabilitation Court Order" means an order of the Rehabilitation Court in the Rehabilitation Proceeding that (i) specifically approves this Agreement in the form executed by the Parties, (ii) orders that the Novated Policies, the Novated

Policy Rights and the Novated Policy Liabilities shall be legally novated from FGIC to AGC in accordance with the terms and conditions of this Agreement, and (iii) is not inconsistent with, or contradicted by, any other order of the Rehabilitation Court or this Agreement. The Rehabilitation Court Order may be contained within and part of the order approving the Amended Plan.

- (gg) “Rehabilitation Proceeding” means the legal proceeding commenced in the Rehabilitation Court on June 28, 2012 governing the rehabilitation of the FGIC, styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company, Index No. 401265/2012*, including as reopened.
- (hh) “Rehabilitator” means the Superintendent of Financial Services of the State of New York, as the Rehabilitation Court-appointed rehabilitator of FGIC for purposes of the Amended Plan.

1.2 Interpretation. When a reference is made in this Agreement to an Article, Section, Exhibit, or Schedule, such reference shall be to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not affect in any way the meaning or interpretation of this Agreement. 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 definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes. References to a Person are also to its permitted successors and assigns. The Parties have participated jointly in the negotiation and drafting of this Agreement and the Novation Endorsement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement or the Novation Endorsement 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 Novation Endorsement.

ARTICLE II NOVATION OF THE NOVATED POLICIES

2.1 Novation. As of the Novation Effective Date, without the need for any action on the part of either Party or any other Person (including any consent or other action on the part of any Novated Policyholder):

- (a) FGIC hereby transfers by novation to AGC, and AGC hereby accepts such transfer by novation of, the Novated Policies, the Novated Policy Rights and the Novated Policy Liabilities, with the effect that AGC is hereby irrevocably

designated the successor in interest to, and substituted in the place and stead of, FGIC as if it were the original insurer, surety or similar capacity, under the Novated Policies and with respect to the Novated Policy Rights and Novated Policy Liabilities, and AGC will be the sole insurer, surety or similar capacity, respectively, under the Novated Policies and with respect to the Novated Policy Rights and the Novated Policy Liabilities.

- (b) AGC hereby irrevocably accepts the Novated Policy Rights, and AGC shall have the sole and direct benefit of such Novated Policy Rights in substitution for FGIC. FGIC shall promptly remit to AGC one hundred percent (100%) of the premiums, fees, other compensation, recoveries, subrogation and salvage included in the Novated Policy Rights, if any, that FGIC may receive after the Novation Effective Date. All monies, checks, drafts, money orders and other instruments received by FGIC after the Novation Effective Date for such amounts will be promptly transferred and delivered to AGC and any such instruments, when so delivered, will bear all endorsements required to effect the transfer to AGC.
- (c) AGC hereby irrevocably assumes the Novated Policy Liabilities, and AGC shall have the sole and direct liability and responsibility for, and shall fully and timely perform, the Novated Policy Liabilities in substitution for FGIC. AGC shall have the direct benefit of, and be fully subrogated to, any and all defenses, setoffs and counterclaims to which FGIC would have been entitled under or with respect to the Novated Policies or the Novated Policy Liabilities assuming the Rehabilitation and the Rehabilitation Circumstances had never occurred. The Parties agree that no such defenses, set-offs or counterclaims are waived by the execution of this Agreement or the consummation of the transactions contemplated hereby.
- (d) The Novated Policyholders, the issuers or obligors of the obligations insured by the Novated Policies and all other interested Persons are authorized and directed to pay all future premiums, fees, other compensation, recoveries, subrogation, and salvage, if any, and to submit all future claims, if any, under or with respect to the Novated Policies solely and directly to AGC and to treat AGC for all purposes as if it had originally issued or written the Novated Policies instead of FGIC.
- (e) Each Novated Policy shall remain in full force and effect and will be subject in all respects to the same terms and conditions of such Novated Policy as in effect immediately prior to the Novation Effective Date (without giving effect to any amendment thereof, impact thereon or other modification thereto under the Plan or arising from or relating to the Rehabilitation or the Rehabilitation Circumstances), except as modified hereby or by the Novation Endorsement.

2.2 Release and Discharge of FGIC. As of the Novation Effective Date, without the need for any action on the part of either Party or any other Person (including any consent or other action on the part of any Novated Policyholder), FGIC is hereby irrevocably released and fully, finally and forever discharged from the Novated Policy Liabilities.

2.3 Reinsurance Agreements. As of the Novation Effective Date, without the need for any action on the part of either Party or any other Person (including any consent or other action on the part of any Novated Policyholder), the Parties hereby agree that any reinsurance provided to FGIC by AGC with respect to the Novated Policies shall terminate automatically and immediately and each Party shall be irrevocably released and fully, finally and forever discharged from any and all Liabilities to the other Party thereunder or with respect thereto. AGC covenants that, prior to the Novation Effective Date, it shall obtain AG Re's written consent either (i) to terminate the reinsurance AG Re has provided to FGIC with respect to the Novated Policies or (ii) to transfer such reinsurance coverage to AGC, in each case effective as of the Novation Effective Date and at no cost, expense or liability to FGIC. Notwithstanding the foregoing, in no event shall the effectiveness of this Agreement, including, for the avoidance of doubt, the novation, assumptions, discharges and releases effected hereby and the other agreements hereunder, be conditioned on AGC's fulfillment of its obligations under the immediately preceding sentence.

2.4 Novation Endorsement. AGC will use its commercially reasonable efforts to deliver an assumption and novation endorsement substantially in the form attached hereto as Exhibit A (the "Novation Endorsement") to the Novated Policyholders on or as soon as practicable after the Novation Effective Date. On or promptly following the Novation Effective Date, AGC shall (i) post to its website the Novation Endorsement and a notice relating to the consummation of the transactions contemplated hereby in a form mutually acceptable to the Parties and (ii) use its commercially reasonable efforts to cause an authorized Person to post the Novation Endorsement and the foregoing notice to the Electronic Municipal Market Access system (as applicable). Notwithstanding the foregoing, in no event shall the effectiveness of this Agreement, including, for the avoidance of doubt, the novation, assumptions, discharges and releases effected hereby and the other agreements hereunder, be conditioned on AGC's fulfillment of its obligations under this Section 2.4.

2.5 Errors and Omissions. Inadvertent errors or omissions will not relieve any Party from liability hereunder provided that the error or omission is rectified as soon as reasonably practicable after discovery. Upon discovery of an error or omission, the discovering Party will notify the other Party. The Parties will agree to work together in good faith to resolve, consistent with the terms of this Agreement, problems, issues or disputes caused by any such error or omission.

2.6 No Excluded Liabilities. Notwithstanding anything to the contrary herein, neither AGC nor any of its Affiliates will assume or be responsible for any Excluded Liabilities.

ARTICLE III REPRESENTATIONS AND WARRANTIES AND COVENANTS

3.1 Representations and Warranties. As of the date hereof and as of the Novation Effective Date, respectively, each Party hereby represents and warrants to the other Party as follows:

- (a) Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of its state of domicile (except, in the case of FGIC, for any adverse effect resulting from the reopening of the Rehabilitation Proceeding).
- (b) Power and Authority. Such Party has all requisite power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate to be executed by such Party as contemplated hereby or in connection with the consummation of the transactions contemplated hereby (the “Documents”) and, subject to the occurrence of the Novation Effective Date, to perform its obligations under this Agreement and the Documents. In the case of AGC, it represents and warrants to FGIC that it has all insurance and other licenses, the use and exercise of which are necessary to consummate the transactions contemplated hereby and to perform its obligations under this Agreement and the Documents, and no judgment, order or regulatory action has been entered or taken that would reasonably be expected to lead to the revocation, amendment, failure to renew, limitation, suspension or restriction of any such insurance or other license.
- (c) Authorization. Such Party’s execution and delivery of, and performance of its obligations under, this Agreement and the Documents to be executed and delivered by such Party have been duly authorized by all necessary corporate action on its part.
- (d) Enforceability. This Agreement constitutes, and each of the Documents to be executed and delivered by such Party (when so executed and delivered) will constitute, a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).
- (e) No Consent or Approval. No consent, approval, order or authorization is required to be obtained from, and no notice or filing is required to be provided or made to, any Governmental Authority by such Party to execute, deliver and perform its obligations under this Agreement (including, without limitation, payment of the Fee to AGC as provided under Section 4.1) and each of the Documents to be executed and delivered by it that has not been obtained, provided or made, as applicable, by such Party, except, as to performance, for obtaining the consents, approvals, orders or authorizations required for the Novation Effective Date to occur.
- (f) No Conflicts. Such Party’s execution and delivery of, and performance of its obligations under, this Agreement and each of the Documents to be executed and delivered by such Party does not and will not, subject to obtaining the consents, approvals, orders or authorizations required for the Novation Effective Date to occur: (i) violate any provision of law, rule or regulation applicable to such Party

or of such Party's certificate of incorporation, 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.

- (g) No Judgment or Order. To its knowledge, there is no judgment, order or regulatory action invalidating this Agreement or enjoining the transactions contemplated hereby.

3.2 Covenants.

- (a) Rehabilitation Court Approval. Each Party agrees to use its commercially reasonable efforts to facilitate the Rehabilitation Court's approval of this Agreement and the consummation of the transactions contemplated hereby.
- (b) Novation Endorsement Addresses. FGIC shall provide AGC at least thirty (30) days in advance of the Novation Effective Date with the names and addresses of the Novated Policyholders, including, to the extent reasonably available, the name, phone number and e-mail address of any individual at the Novated Policyholder with whom FGIC has most recently addressed any administration or similar matter with respect to a Novated Policy.
- (c) Transfer of Records. FGIC shall transfer and deliver to AGC promptly following the Novation Effective Date all material files and records relating to the Novated Policies in FGIC's possession or under its control (the "Records"), and thereafter shall transfer and deliver any additional Records reasonably requested in writing by AGC promptly following AGC's request. AGC agrees that, after such delivery, FGIC will be entitled, upon reasonable request, during normal business hours and at FGIC's expense, to inspect and copy any and all of the Records. Any and all correspondence, records or documents coming into the possession of FGIC after the Novation Effective Date, which directly pertains to any Novated Policy, will be promptly delivered to AGC by FGIC.
- (d) Accounting. From and including the Novation Effective Date, AGC shall account for the Novated Policies as direct business of AGC, AGC shall maintain all unearned premium, contingency, loss and loss adjustment expense and other statutory reserves required with respect to the Novated Policies, and FGIC shall have no further obligations for reserving or accounting for the Novated Policies.

ARTICLE IV GENERAL PROVISIONS

4.1 Fee. No later than the Business Day following the date on which both Parties have executed and delivered this Agreement, FGIC shall pay to AGC a non-refundable fee (the "Fee") in the amount of \$2,000,000.00 (Two Million U.S. Dollars) in accordance with the wire instructions set forth immediately below:

AGC Wire Instructions:

Beneficiary Bank: JPMorgan Chase Bank
ABA Number: 021000021
Address: New York, NY
Beneficiary Name: Assured Guaranty Corp.
Account Number: 9102676450
Reference: FGIC Novation Fee

Failure of FGIC to pay AGC the Fee within the time period prescribed shall render this Agreement void ab initio.

4.2 Consultation and Cooperation. From and after the date on which both Parties shall have executed and delivered this Agreement to the Novation Effective Date (or, if earlier, the termination of this Agreement pursuant to Section 4.3), FGIC shall:

- (a) consult in good faith with AGC prior to (i) exercising any right and/or remedy that FGIC has in connection with a Novated Policy and/or the related transaction documents; or (ii) responding to any request for an amendment, consent and/or waiver (an “ACW”) with respect to a Novated Policy and/or the related transaction documents, and, except with AGC’s prior written consent, which shall not be unreasonably withheld, conditioned or delayed, FGIC shall not exercise any such right or remedy, or respond to any ACW, in a manner that alters the Novated Policy Rights, or increases the Novated Policy Liabilities, in respect of such Novated Policy;
- (b) provide to AGC, promptly following FGIC’s preparation or receipt thereof, copies of (i) surveillance reports, or excerpts thereof, specifically relating to the Novated Policies or the credits/issuers insured by them (redacted, as appropriate, for information unrelated or not material to the Novated Policies or the credits/issuers insured by them); and (ii) external transaction documentation received by FGIC for the Novated Policies, including, but not limited to, issuer financial reports, trustee reports and documentation related to ACWs, modifications, extensions, commutations or terminations with respect to the Novated Policies and/or the related transaction documents;
- (c) consult with AGC from time to time, at AGC’s reasonable request, concerning the status and progress of the effort to have this Agreement included as an element of the Amended Plan and approved pursuant to the Rehabilitation Court Order; and
- (d) (i) use commercially reasonable efforts to obtain from the Rehabilitator copies of any notice to, correspondence with or other document provided or sent to a Novated Policyholder in connection with the Amended Plan as close in time as practicable to the provision or sending of such notice, correspondence or other document, and (ii) provide AGC promptly with copies of any such notice, correspondence or document so obtained unless prohibited from doing so by the Rehabilitator.

Attn: General Counsel
Email: LChow@agltd.com
and
generalcounsel@agltd.com

With a copy to (which shall not constitute notice):

Debevoise & Plimpton
66 Hudson Boulevard
New York, New York 10001
Facsimile: (212) 909-6836
Attn: Alexander R. Cochran
Sidney P. Levinson
Email: arcochran@debevoise.com
slevinson@debevoise.com

4.6 Severability. The invalidity or unenforceability of any provision or portion hereof shall not affect the validity or enforceability of the other provisions or portions hereof, all of which shall remain in full force and effect. Upon any such determination of invalidity or unenforceability, 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 are consummated as originally contemplated to the greatest extent possible. If such determination occurs prior to the Novation Effective Date, the references to “Agreement” in the definition of “Rehabilitation Court Order” in Section 1.1 of this Agreement shall be interpreted and construed to be this Agreement, as so modified to address the provision(s) determined to be invalid or unenforceable, and the Novation Effective Date shall not occur unless such modifications have been agreed by the Parties.

4.7 Incontestability. In consideration of the mutual covenants and agreements contained herein, each Party does hereby agree that this Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each Party does hereby agree that it shall not, directly or indirectly, contest the validity or enforceability this Agreement or any provision hereof.

4.8 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, and negotiations, both written and oral, relating thereto.

4.9 Further Assurances. Upon the terms and subject to the conditions herein, each Party agrees that it will, from time to time, upon the reasonable request of the other Party, use its commercially reasonable efforts to take or cause to be taken all actions, and to do or cause to be done, and to assist and cooperate with the other Party in doing, all things, in each case as are necessary, proper or advisable and in compliance with applicable law to carry out the purposes of this Agreement and the consummation of the transactions contemplated hereby, including to cause the Novation Effective Date to occur. In furtherance of the foregoing, FGIC agrees to use its commercially reasonable efforts on and after the Novation Effective Date, at the reasonable written request of AGC, to execute and deliver any instruments, consents, waivers, amendments,

notices and other documents, to take any actions or refrain from taking any actions, and to make any filings, appearances or other steps before a Governmental Authority or otherwise as are necessary and appropriate and in compliance with applicable law in order to permit AGC to (i) seek to exercise and enforce the Novation Policy Rights, including seeking to commence litigation or any other proceeding before a Governmental Authority in order to seek to mitigate a loss or potential loss or protect, perfect or exercise any subrogation, salvage or reimbursement rights or security interests with respect to any Novated Policy or (ii) assert any and all defenses, setoffs and counterclaims to which FGIC would have been entitled under or with respect to the Novated Policies or the Novated Policy Liabilities assuming the Rehabilitation and the Rehabilitation Circumstances had never occurred. For the avoidance of doubt, neither Party shall institute, prosecute or maintain any legal proceedings on behalf of the other Party without the prior written consent of such other Party. Following the Novation Effective Date, upon a Party's written request and from time to time, the other Party shall reimburse such requesting Party for all reasonable out-of-pocket costs and expenses incurred by such requesting Party in connection with any activities contemplated by this Section that are undertaken or made at the request or direction of such other Party; provided, however, that such requesting Party shall use its commercially reasonable efforts to notify such other Party if such requesting Party determines that, in connection with any such request or direction of such other Party, it would expect to incur out-of-pocket costs and expenses exceeding \$10,000.

4.10 Indemnification by AGC. From and after the Novation Effective Date AGC shall be solely and directly responsible for, and shall indemnify, defend and hold harmless FGIC from and against, any and all (i) Novated Policy Liabilities and (ii) Liabilities incurred by FGIC to the extent relating to or arising from AGC's exercise of, or its refusal or other failure to exercise, any Novated Policy Rights or AGC's performance of, or its failure to fully and timely perform, any Novated Policy Liabilities. Notwithstanding anything contrary in this Agreement, the indemnification provided for in this Section 4.10 will be the sole and exclusive remedy against AGC for any indemnifiable losses suffered or incurred by FGIC by reason of the matters set forth in clauses (i) and (ii).

4.11 Costs and Expenses. Each Party will pay its own costs and expenses (including legal fees) incurred in connection with the negotiation, preparation and execution of this Agreement and the Documents and the consummation of the transactions contemplated hereby, *provided, however*, that, following the Novation Effective Date or, as applicable, the date of termination of this Agreement pursuant to Section 4.3, FGIC shall, within thirty (30) days of its receipt of an invoice in reasonable detail therefor, reimburse AGC for its reasonable out-of-pocket legal costs and expenses that are incurred prior to the Novation Effective Date or, as applicable, the date of termination of this Agreement pursuant to Section 4.3, in an aggregate amount up to, but not exceeding, \$500,000.00 (Five Hundred Thousand U.S. Dollars).

4.12 Counterparts. This Agreement may be executed in counterparts (or by counterpart signature pages), each of which shall be deemed an original and all of which constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile, email or other electronic imaging means shall be as effective as delivery of an original manually executed counterpart of this Agreement.

4.13 Parties in Interest. Nothing in this Agreement is intended or shall be construed to give any Person, other than the Parties and their successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

4.14 Submission to Jurisdiction. Each Party irrevocably submits to the exclusive jurisdiction of the Rehabilitation Court for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each Party agrees to commence any such action, suit or proceeding in the Rehabilitation Court. Each Party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any action, suit or proceeding in the Rehabilitation Court with respect to any matters to which it has submitted to jurisdiction in this Section. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in such court, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in such court that any such action, suit or proceeding brought in such court has been brought in an inconvenient forum.

4.15 WAIVER OF RIGHT TO JURY TRIAL. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MIGHT HAVE TO A TRIAL BY JURY IN ANY ACTION, MATTER OR PROCEEDING REGARDING THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).


4.16 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign or delegate all or any portion of its rights, obligations or liabilities under this Agreement without the prior written consent of the other Party, which consent may be given or withheld in such other Party's sole discretion; and any attempt to assign or delegate any rights, obligations or liabilities under this Agreement without such consent shall be void.

4.17 Governing Law. This Agreement shall be construed in accordance with and be governed by the law of the State of New York applicable to contracts entered into therein, without regard to principles of choice of law or conflicts of laws that might lead to the application of laws other than the laws of the State of New York.


4.18 Specific Performance. Each Party acknowledges and agrees that irreparable injury to the other Party would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that such injury would not be adequately compensable in damages. It is accordingly agreed that each Party shall be entitled to specific enforcement of, and injunctive relief to prevent any violation of, the terms hereof and the other Party will not take action, directly or indirectly, in opposition to such Party seeking such relief on the grounds that any other remedy or relief is available at law or in equity, nor shall such other Party seek the posting of a bond as a condition for obtaining any such relief. An application for specific performance pursuant to this Section shall not preclude such Party from seeking other relief available at law or in equity.

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first above written.

FINANCIAL GUARANTY INSURANCE COMPANY

By: 
Name: Timothy S. Travers
Title: Chief Executive Officer

ASSURED GUARANTY CORP.

By: 
Name: Ling Chow
Title: General Counsel

SCHEDULE 1
LIST OF NOVATED POLICIES

Policy ID	Policy	CUSIP [†]	GPIF as of 12/31/2023 (\$)	NPIF as of 12/31/2023 (\$)
95010382	Struct Asset Secur Corp 95-2A	863572GE7	79.42	79.42
96010026	Adelanto Imp. Agency - Ser 95	00679PBY9	2,460,000.00	2,460,000.00
97010571	AFC Mortgage Trust (Alliance) 1997-3	00105HDA1	43,686.49	43,686.49
		00105HDC7	51,353.71	51,353.71
97010804	AFC Mortgage Trust (Alliance) 1997-4	00105HDG8	102,577.29	102,577.29
98010289	AFC Mortgage Trust (Alliance) 1998-1	00105HDH6	42,460.93	42,460.93
		00105HDL7	115,633.44	115,633.44
98010855	AFC Mortgage Trust (Alliance) 1998-3	00105HDP8	24,756.31	24,756.31
		00105HDQ6	300,857.74	300,857.74
		00105HDR4	43,451.47	43,451.47
		00105HDS2	106,187.67	106,187.67
98010857	UCFC LOAN TRUST 1998-C	90263BGT9	1,187,417.81	1,187,417.81
		90263BGU6	155.83	155.83
98011028	AFC Mortgage Trust (Alliance) 1998-4	00105HDT0	173,866.77	173,866.77
		00105HDU7	79,282.96	79,282.96
		00105HDV5	35,600.48	35,600.48
		00105HDW3	69,814.53	69,814.53
98011055	Detroit Pub Schools,MI GO98ABC	251129XZ0	6,305,000.00	5,738,508.81
99010054	AFC Mortgage Trust (Alliance) 1999-1	00105HDX1	877,489.49	877,489.49
		00105HDY9	717,155.35	717,155.35
00020040	407 International Inc. Series 1999-A3 - Secondary Market**	350863AC0	13,188,437.95	13,188,437.95
04010514	Tehachapi Valley HC Dist, CA GO (Elect 2004) 04A	87905RAY9	131,941.70	131,941.70
		87905RAZ6	124,729.20	124,729.20
		87905RBA0	118,316.80	118,316.80
04030011	Accredited Mortgage Loan Trust 2004-2	004375AW1	3,414,021.16	3,414,021.16
		004375AX9	4,832,833.21	4,832,833.21
04030025	New Century HEL Trust 2004-A (FRMS)	64352VGK1	6,055,973.43	6,055,973.43
		64352VGV7	17,998,109.78	17,998,109.78
		64352VGW5	36,938.95	36,938.95
04030027	DMSI 2004-5, Class A-4A, A-5A, A-5B	251563FZ0	2,858,451.15	2,858,451.15
		251563GB2	17,151.48	17,151.48
04030029	Argent Securities Inc. Trust - 2004-W10	040104LL3	6,489,516.80	6,489,516.80
05010189	City of Detroit, MI, Water Supply Senior Lien Revenue Bonds, 2005-B	2512558J7	100,000.00	100,000.00
05030010	Impac CMB Trust 2005-3	45254NNR4	4,427,228.00	4,427,228.00
05080001	Premier Transmission Financing PLC - 2005***		51,023,751.30	51,023,751.30
05080003	Premier Transmission Financing PLC 2005 - RBC Swap		*	*
05080008	Premier Transmission Financing PLC - 2005 - BNP Paribas Swap		*	*
06010315	NYC IDA (Yankee Ballpark LLC) 2006	64971PFA8	18,835,000.00	13,814,405.49
		64971PFB6	19,630,000.00	14,397,492.96
		64971PFC4	20,475,000.00	15,017,252.59
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	78443CCU6	75,233,740.87	75,233,740.87
07010017	Fort Benning Family Housing Committees LLC, Military Housing Bonds, 2006 - Secondary Market	346845AM2	16,571,040.32	16,571,040.32
07010370	Green Stadco (NY Jets Stadium)	477181AC5	91,700,000.00	91,700,000.00
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****		20,850,713.21	20,850,713.21
07080035	Rembrandt Australia Trust 2007-1 Fixed Annuity****		16,064,532.03	16,064,532.03
Total			402,914,255.03	386,636,914.88

[†]The CUSIP number(s) for the obligation(s) insured by any Policy reflect those that were recorded by FGIC in its systems (where available or applicable) and are provided for information purposes only.

* The insured exposure is as provided by the terms of the respective Policy.

** The actual insured exposure in CAD was converted to USD using an exchange rate of 0.727309.

*** The actual insured exposure in GBP was converted to USD using an exchange rate of 1.220271.

**** The actual insured exposure in AUD was converted to USD using an exchange rate of 0.636874.

EXHIBIT A
FORM OF NOVATION ENDORSEMENT

[Letterhead of AGC]

Assured Guaranty Corp.
[address]
[Toll Free # to be inserted]

NOVATION ENDORSEMENT

On _____, 202[●], the Supreme Court of the State of New York (the “Rehabilitation Court”), Case No. Index No. [401265/2012], approved an amended Plan of Rehabilitation for Financial Guaranty Insurance Company (“FGIC”), a Novation Agreement by and between FGIC and Assured Guaranty Corp. (“Assured”), and this Novation Endorsement. As a result of the Rehabilitation Court’s approval of these documents, Assured has assumed and accepted all liabilities of FGIC under the express contractual terms of your financial guaranty insurance policy, surety bond or similar instrument issued by FGIC (“Policy”) without giving effect to any amendment thereof or other modification thereto under the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013 (the “Original Plan”) or any acceleration or expansion thereof or other change thereto arising from or relating to the Rehabilitation or the Rehabilitation Circumstances, as such terms were defined in the Original Plan.

This Novation Endorsement attaches to and forms part of your Policy. Except as described in the amendments below, your Policy remains unchanged. The amendments to your Policy are as follows:

- All references to the name “Financial Guaranty Insurance Company” are hereby changed to “Assured Guaranty Corp.”
- Any references to the address of FGIC for the provision of notice or otherwise, are hereby changed to Assured Guaranty Corp., [address].
- [*Additional relevant changes to be included*].

You, as the holder of the Policy, obligors of the obligations insured by the Policy and all other interested persons are directed to pay all future premiums, fees, other compensation, recoveries, subrogation, and salvage, if any, and to submit all claims, if any, under or with respect to such Policy solely and directly to Assured and to treat Assured for all purposes as if it had originally issued or written such Policy instead of FGIC.

All other terms, provisions and conditions of your Policy remain unchanged except as described in this Novation Endorsement.

Please use the administrative address for Assured noted above to send premium and other payments, obtain claims forms and/or file claims.

IN WITNESS WHEREOF, Assured Guaranty Corp. has, by its [*Authorized Officer*],
executed this Novation Endorsement as of the __ day of _____ 202__.

Name:
Title: