

## REINSURANCE AGREEMENT

**THIS REINSURANCE AGREEMENT** (this "Agreement"), is dated as of September 30, 2008 (the "Closing Date"), by and between **Financial Guaranty Insurance Company**, a New York domiciled insurance corporation (the "Company") and **MBIA Insurance Corporation**, a New York insurance corporation (the "Reinsurer").

In consideration of the mutual covenants and upon the terms and conditions set forth in this Agreement, the Company and the Reinsurer (each a "Party" and together the "Parties") hereby agree as follows:

**1. Definitions.** The following terms shall have the respective meanings set forth below throughout the Agreement:

(a) "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.

(b) "Agreement" shall have the meaning set forth in the preamble.

(c) "Allocated Loss Adjustment Expenses" means: (i) out-of-pocket expenses and costs incurred or sustained in connection with mitigation, investigation, adjustment, settlement, workout, defense and litigation of claims and suits, satisfaction of judgments and other awards, resistance to or negotiations concerning a Loss or potential Loss, (ii) external legal and other out-of-pocket expenses and costs incurred or sustained in connection with (A) coverage questions regarding specific claims and legal actions, including declaratory judgment actions, connected thereto, (B) Loss or potential Loss prevention, mitigation or investigation in respect of any Covered Policies, (C) the investigation or workout of a Loss or potential Loss, or (D) the protection, perfection and exercise of any subrogation or salvage or reimbursement rights or security interests relating to any Covered Policies, (iii) all interest on judgments other than prejudgment interest when added to a judgment, and (iv) external legal and other out-of-pocket expenses and costs incurred or sustained to obtain recoveries, salvages or other reimbursements, or to secure the reversal or reduction of a verdict, judgment or award. Allocated Loss Adjustment Expenses shall not include salaries paid to employees of the Company or overhead of the Company or the costs of any third party under Section 7(b).

(d) "Bondholder" shall have the meaning set forth in Section 13(a).

(e) "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.

(f) "Closing Date" shall have the meaning set forth in the preamble.

(g) “Closing Date UPR” means the aggregate net unearned premium reserves of the Covered Policies as shown on Exhibit A, determined using the column headed “Projected Net STAT UPR 9/30/08”.

(h) “Commutation” means the commutation of Third Party Reinsurance other than pursuant to the terms of the agreement for such Third Party Reinsurance with the consent of the Reinsurer if such commutation would require the Reinsurer to receive less money, pay any additional amount or incur any additional liability than it would have had to pay or incur under a Recapture if a Recapture of such agreement were available. “Commute” shall have a corollary meaning.

(i) “Company” shall have the meaning set forth in the preamble.

(j) “Company Information” shall have the meaning set forth in Section 16(b).

(k) “Conservator” shall have the meaning set forth in Section 13(b).

(l) “Covered Policy” shall mean each Policy listed on Exhibit A attached hereto to the extent such Policy remains in force on the Closing Date, as Exhibit A may be amended after the date hereof pursuant to Section 6(g), and (i) will include Refinancing Policies issued after the date of the Master Agreement and prior to the Closing Date, with the consent of the Reinsurer as required by, and in accordance with, the Master Agreement, but (ii) will not include (A) any Policy which is terminated or cancelled, or for which the insured securities or obligations have been repaid, defeased or redeemed, on or prior to the Closing Date, without regard to when or whether the Company receives notice thereof and (B) those Policies removed pursuant to Section 6(c)(i) of the Master Agreement. Except with respect to the Policies listed on Exhibit A-2 hereto, if a Policy insures a gross par in force amount as of the Effective Date that is greater than the amount listed on Exhibit A, then the reinsurance provided hereunder shall extend only up to the gross par in force amount listed on Exhibit A (net of Third Party Reinsurance (other than Covered Third Party Reinsurance) related thereto) and scheduled interest or other payments or accretion corresponding to such gross par amount (net of Third Party Reinsurance (other than Covered Third Party Reinsurance) related thereto). For the avoidance of doubt, for Policies with amounts listed under the heading “Final Maturity Value - Including CIBs and CABs”, the coverage hereunder shall extend up to the amount of the Final Maturity Value listed on Exhibit A. Notwithstanding its inclusion in Exhibit A, Exhibit A-1 or Exhibit A-2, a Policy shall not be included as a Covered Policy hereunder if (1) it insures other than a US Muni Risk, (2) unless listed on Exhibit A-1 or added in accordance with clause (i) above, it insures a risk written after December 31, 2007, (3) it provides for installments of premiums receivable by the Company after the Effective Date, (4) it insures a risk that is rated, as of the Effective Date, below BBB- by S&P or Baa3 by Moody’s, (5) the Company has established a loss reserve for such Covered Policy as of the Effective Date, (6) it is, or insures a risk written, in the form of a credit default swap, (7) it insures securities backed by pools of assets, mortgages, corporate debt or credit default swaps, or (8) it provides reinsurance.

(m) “Covered Third Party Reinsurance” means the Third Party Reinsurance listed on Exhibit B attached hereto unless and until the reinsurer thereunder shall have consented to the transactions contemplated by this Agreement and shall have delivered a Services Consent (as defined in the Master Agreement).

(n) “Effective Date” shall have the meaning set forth in Section 4.

(o) “Eligible Securities” shall have the meaning set forth in Section 8(b).

(p) “Extra Contractual Obligations” means 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 any Person, 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 any Person, any of its Affiliates or any of its or its Affiliates’ officers or employees in connection with such Person’s handling of any claim under any of the Covered Policies (including the settlement, defense of, or appeal of any claim) or in connection with the issuance, offer, sale, delivery, cancellation or administration by any Person or any of its Affiliates or any of its or its Affiliates’ officers or employees of any of the Covered Policies.

(q) “Insolvency Event” means that (x) an involuntary bankruptcy, insolvency or similar proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of such entity or of all or substantially all of its property or assets under any applicable bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, rehabilitator, liquidator or similar official with respect to such entity or all or substantially all of its property or assets, or (iii) the winding-up, liquidation or dissolution of such entity, and any such proceeding or petition shall continue undismissed for a period of thirty (30) or more consecutive days or an order or decree approving or ordering any of the foregoing shall be entered, or (y) such entity shall (i) voluntarily commence any proceeding or file any petition seeking relief (or take any similar or analogous action) under any applicable bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner to, any proceeding or the filing of any petition described in clause (x) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator, rehabilitator, liquidator or similar official with respect to such entity or all or substantially all of its property or assets, (iv) file an answer admitting the material allegations of a petition filed against it in any proceeding or petition described in clause (x) above, (v) make a general assignment for the benefit of its creditors, or (vi) become unable, admit in writing its inability, or fail generally to pay its debts or contractual obligations as they become due.

(r) “Issuer” shall have the meaning set forth in Section 6(d).

(s) “Loss” shall mean (i) such amounts as are paid or payable by or on behalf of the Company in settlement or satisfaction of claims pursuant to the terms and conditions of the Covered Policies or in settlement or satisfaction of any litigation or other proceedings seeking payment of such claims, including judgments or other awards arising therefrom (including prejudgment interest when added to a judgment), (ii) any and all Allocated Loss Adjustment Expenses, (iii) Extra Contractual Obligations arising after the Closing Date for acts, errors and omissions of Reinsurer or its Affiliates, and (iv) *ex gratia* payments that are committed or determined to be made by, or at the direction of, the Reinsurer or its Affiliates. Loss shall not include Extra Contractual Obligations for acts, errors and omissions of the Reinsurer or its Affiliates occurring on or prior to the Closing Date or Extra Contractual Obligations for acts, errors and omissions of the Company and its Affiliates occurring at any time. For the avoidance of doubt, “Loss” shall include the word “Losses.”

(t) “Master Agreement” means the Master Agreement, dated as of August 27, 2008, by and among the Company, MBIA Inc. and the Reinsurer.

(u) “Moody’s” means Moody’s Investors Service or any successor thereto.

(v) “NYID” shall have the meaning set forth in Section 3.

(w) “Party” or “Parties” shall have the meaning set forth in the preamble.

(x) “Payee” shall have the meaning set forth in Section 13(a).

(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) “Policy” means a policy, insurance contract, surety bond, financial guarantee, or similar instrument or contract (but not including forward commitments to issue any of the foregoing), issued or written by the Company in the United States, the District of Columbia, Puerto Rico or the U.S. Virgin Islands, and shall include primary policies, secondary market policies and ancillary policies or guaranties guarantying debt service reserve fund obligations, interest rate swaps and liquidity facilities or similar obligations in connection with primary policies.

(aa) “Rating Agency” means each of S&P and Moody’s.

(bb) “Reassumption Date” shall have the meaning set forth in Section 15(b).

(cc) “Reassumption Right” shall have the meaning set forth in Section 15(b).

(dd) “Recapture” means to recapture Third Party Reinsurance pursuant to the terms of the agreement governing such Third Party Reinsurance in effect as of the date hereof.

(ee) “Recovery” or “Recoveries” shall mean any amount payable to or received by the Company in reimbursement of any Loss paid by the Reinsurer under this Agreement, whether by subrogation, salvage, reimbursement or other recovery from the Issuer or otherwise.

(ff) “Refinanced Obligations” shall have the meaning set forth in Section 6(b).

(gg) “Refinancing Obligations” shall have the meaning set forth in Section 6(b).

(hh) “Refinancing Policy” shall have the meaning set forth in Section 6(b).

(ii) “Reinsurer” shall have the meaning set forth in the preamble.

(jj) “Representatives” shall have the meaning set forth in Section 16(b).

(kk) “Reserves” means, for any Covered Policy, all reserves, including loss reserves (if any), Allocated Loss Adjustment Expense reserves (if any), contingency reserves, and unearned premium reserves related to such Covered Policy calculated in a manner consistent with the Closing Date UPR.

(ll) “S&P” means Standard & Poor’s Ratings Services or any successor thereto.

(mm) “Services Agreement” shall have the meaning set forth in Section 19(b).

(nn) “Special Cancellation Event” shall have the meaning set forth in Section 15(a).

(oo) “Specified Policies” shall mean the Policies specified on Exhibit C-1 hereto.

(pp) “Specified Third Party Reinsurance” shall mean the third party reinsurance from the third party reinsurer identified on Exhibit C-2 hereto covering a portion of the risks under the Specified Policies.

(qq) “Third Party Information” shall have the meaning set forth in Section 16(b).

(rr) “Third Party Reinsurance” shall mean all reinsurance coverage of risks under the Covered Policies to which the Company is a party at the applicable time,

other than (i) the reinsurance provided under this Agreement, and (ii) immediately upon Recapture or Commutation, reinsurance which is Recaptured or Commuted pursuant to Section 5(k) of the Master Agreement or in accordance with the terms of this Agreement, including Section 8(a)(v) hereof. For the avoidance of doubt, concurrently with any Specified Policy becoming a Covered Policy under Section 6(h), 6(i) or 6(j), any third party reinsurance coverage of risks under such Specified Policy shall be included in the term "Third Party Reinsurance", including for purposes of Sections 8(a)(v) and 8(a)(vi).

(ss) "Trust" shall mean the trust to be established under the Trust Agreement in accordance with the terms thereof, subject to the provisions of this Agreement.

(tt) "Trust Agreement" shall have the meaning set forth in Section 8(c).

(uu) "US Muni Risk" shall mean (i) municipal bonds and utility first mortgage obligations, as defined in Sections 6901(o) and 6901(s) of the New York Insurance Law, respectively, (ii) obligations issued or backed by investor owned utilities, healthcare institutions, private universities, electric cooperatives and not-for-profit organizations, and (iii) any other obligation issued by or on behalf of, or guaranteed or payable by, the United States, any state, the District of Columbia, Puerto Rico, the U.S. Virgin Islands or any political subdivision, agency, instrumentality, or authority of the foregoing, but excluding in the case of clauses (i) and (ii), bonds issued by an entity not located in the United States, the District of Columbia, Puerto Rico or the U.S. Virgin Islands.

**2. Other Capitalized Terms.** Capitalized terms used, but not defined herein, shall have the meanings given to such terms in the Master Agreement.

**3. Accounting Practices.** Unless otherwise specified herein, all references to premiums, reserves and other accounting terms shall be understood in accordance with the statutory accounting principles and practices prescribed or permitted to the Company by the New York Insurance Law and the New York State Insurance Department (the "NYID").

**4. Term.** This Agreement shall be deemed to be effective at 12:01 a.m., Eastern Time, on September 30, 2008 (the "Effective Date"), and shall remain in full force and effect until this Agreement is terminated by the mutual written consent of the Company and the Reinsurer or as provided in Section 15 hereof.

**5. Amendment.** This Agreement may be amended only by the written agreement of the Company and the Reinsurer; *provided, however*, that Section 13 may only be amended with respect to any particular Covered Policy if the Rating Agencies have confirmed that such amendment will not result in a downgrade of the rating assigned to the underlying securities or obligations under such Covered Policy, in which case the consent of the Payees relating to such Covered Policy shall not be required.

Any such amendment shall conform to the requirements of Section 6906(a) of the New York Insurance Law.

## 6. Reinsurance.

(a) Commencing as of the Effective Date, the Company hereby cedes as reinsurance to the Reinsurer, and the Reinsurer hereby assumes as reinsurance from the Company, the interest of the Company in and to, and the risks (net of any applicable Third Party Reinsurance in effect at the time a Loss is paid that is not Covered Third Party Reinsurance) associated with, each of the Covered Policies, and the Reinsurer agrees to indemnify the Company, subject to the terms, conditions, and limitations set forth in this Agreement, for any and all Losses (net of any applicable Third Party Reinsurance in effect at the time a Loss is paid that is not Covered Third Party Reinsurance). The exclusion of such Third Party Reinsurance in the preceding sentence will be effective whether or not such reinsurance is collectible. The Reinsurer shall be subject in all respects to all of the general and specific stipulations, clauses, waivers, extensions, modifications, alterations, cancellations, interpretations, and endorsements of the applicable Covered Policy. The Reinsurer's liability shall attach as of the effective date of the Covered Policy. Except as provided in Section 13 hereof, this Agreement shall not continue or create any obligation of the Reinsurer to any Person who owns or is insured under the Covered Policies. For the avoidance of doubt, Reinsurer shall not be required to reimburse the Company for Losses paid prior to the Effective Date.

(b) In the event of a refinancing (whether by refunding, redemption, optional tender or otherwise) of the obligations insured under a Covered Policy (the "Refinanced Obligations") by the issuance of new obligations that are insured by the Company (the "Refinancing Obligations"), including any Refinancing Obligations issued, with the consent of the Reinsurer in its sole discretion, to remediate, mitigate or prevent a claim or loss under such Covered Policy, improve the Company's position, or improve the credit quality or credit risk profile of the risk under such Covered Policy, then any Policy issued by the Company in respect of the Refinancing Obligations meeting the foregoing requirements with the consent of the Reinsurer in respect of the Refinancing Obligations (the "Refinancing Policy") shall be deemed to be a Covered Policy hereunder.

(c) Subject to paragraph (b) hereof, the Reinsurer shall be deemed to have assumed (without further action on the part of the Company or the Reinsurer) the same proportionate share of the Refinancing Obligations as the Reinsurer had assumed of the Refinanced Obligations as though the Refinancing Obligations were issued on the same date as the Refinanced Obligations.

(d) Subject to Section 19, all Loss settlements made by or on behalf of the Company, all Recovery settlements and all settlements with an issuer or obligor (an "Issuer") with respect to obligations insured under a Covered Policy (including deficiencies resulting therefrom), shall be final, conclusive and unconditionally binding

upon the Reinsurer, and the Reinsurer agrees to pay or allow, as the case may be, each such settlement in accordance with this Agreement.

(e) The Company hereby sells, assigns and transfers to the Reinsurer, any and all Recoveries received by the Company in accordance with Section 17, and the Company shall pay the Reinsurer any Recovery actually received by the Company whether received during or after the term of this Agreement. The payment of such Recoveries to the Reinsurer shall survive the termination of this Agreement or a proceeding pursuant to Section 14 of this Agreement.

(f) The Company shall report unreimbursed Loss settlements and Recoveries to the Reinsurer on a quarterly basis, within thirty (30) days following the close of the calendar quarter. If the quarterly report shows a net amount due to the Reinsurer, the Company shall remit such amount to the Reinsurer with the report. If the quarterly report shows a net amount due to the Company, the Reinsurer shall remit such amount to the Company within ten (10) days. Notwithstanding the foregoing, at the option and upon the demand of the Company, the Reinsurer shall pay the Company by special remittance within one (1) Business Day of receipt by the Reinsurer of a special loss accounting with respect to any Loss paid or due to be paid, which shall be prepared by the Company and shall contain the policy number, the payee, the due date and the amount due. The Reinsurer shall make payment to the Company by wire transfer of immediately available funds by the later of (a) 12:00 noon, New York City time, on the Business Day prior to such scheduled date of the claim payment or (b) the date one (1) Business Day following receipt of such special loss accounting. If for any reason the Company shall not make all or any part of the claim payment on the scheduled date, and no such payment is anticipated within two (2) Business Days thereof, the Company shall return to the Reinsurer within two (2) Business Days the amount paid to the Company by the Reinsurer for such claim payment to the extent not used therefor.

(g) Following the date hereof, each of the Company and the Reinsurer shall use its commercially reasonable efforts to either (i) recapture or commute all Specified Third Party Reinsurance or (ii) obtain the consent or waiver by the reinsurer under the Specified Third Party Reinsurance of (A) the assumption of administrative services by the Reinsurer as contemplated by the Services Agreement with respect to the Specified Policies and the Specified Third Party Reinsurance and (B) the net retention or similar requirements under the Specified Third Party Reinsurance agreements. Notwithstanding anything to the contrary in this Agreement, in no event will the Company or the Reinsurer be required to expend money (other than reasonable fees and expenses of external advisors and de minimis costs), commence or participate in any litigation or arbitration, offer or grant any accommodation (financial or otherwise), increase any risk, incur any liability or change any material term of this Agreement, the Master Agreement, the Services Agreement or the Trust Agreement in connection with obtaining the recapture or commutation under the Specified Third Party Reinsurance or the consent or waiver of any such reinsurer.



(h) In the event that the commutation, recapture, consent or waiver set forth in clause (g) above is effective within ten (10) calendar days following the Closing Date, promptly after the effectiveness of any such commutation, recapture, consent or waiver, but in no event later than the second (2nd) Business Day following the effectiveness of such commutation, recapture, consent or waiver, then the Company shall cede, to the extent that the Specified Policies comply with the standard of Covered Policies as set forth in the definition of "Covered Policy" herein as of the date of such cession, the Specified Policies to which such commutation, recapture, consent or waiver applies to the Reinsurer, and the Reinsurer will assume as reinsurance all of the risks associated with such Specified Policies. Upon the effectiveness of such cede and assumption, Exhibit A (and, to the extent applicable, Exhibit A-1 and Exhibit A-2) will automatically be amended to include such Specified Policies, and such Specified Policies shall be deemed to be Covered Policies hereunder as of the Effective Date, and the payments of premiums and commissions shall be calculated pursuant to Section 8(a) hereof as if made on the Closing Date (including with respect to Section 8(a)(iii), the Specified Third Party Reinsurance and any other Third Party Reinsurance covering the Specified Policies, in each case, that is commuted or recaptured prior to or upon the effectiveness of such cession and assumption, which shall be treated as Third Party Reinsurance for purposes of Section 8(a)) and be made on the date of such cession.

(i) In the event that the commutation, recapture, consent or waiver set forth in clause (g) above is effective between the eleventh (11th) calendar day and the thirtieth (30th) calendar day following the Closing Date, promptly after the effectiveness of any such commutation, recapture, consent or waiver, but in no event later than the second (2nd) Business Day following the effectiveness of such commutation, recapture, consent or waiver, then the Company shall cede, to the extent that the Specified Policies comply with the standard of Covered Policies as set forth in the definition of "Covered Policy" herein as of the date of such cession, the Specified Policies to which such commutation, recapture, consent or waiver applies to the Reinsurer, and the Reinsurer will assume as reinsurance all of the risks associated with such Specified Policies. Upon the effectiveness of such cede and assumption, Exhibit A (and, to the extent applicable, Exhibit A-1 and Exhibit A-2) will automatically be amended to include such Specified Policies, and such Specified Policies shall be deemed to be Covered Policies hereunder as of the date of such cession. Upon the cession of any such Specified Policy, the Parties will make the payments required by Section 8(a)(vi) and, without duplication, with respect to the Specified Third Party Reinsurance and any other Third Party Reinsurance covering the Specified Policies, in each case, that is commuted or recaptured prior to or upon the effectiveness of such cession and assumption, Section 8(a)(v).

(j) In the event that the commutation, recapture, consent or waiver set forth in clause (g) above is effective after the thirtieth (30th) calendar day following the Closing Date, promptly after the effectiveness of any such commutation, recapture, consent or waiver, but in no event later than the fifth (5th) Business Day following the effectiveness of such commutation, recapture, consent or waiver, with the consent of the Reinsurer, which consent shall not be unreasonably withheld, the Company shall

cede the Specified Policies to which such commutation, recapture, consent or waiver applies to the Reinsurer, and the Reinsurer will assume as reinsurance all of the risks associated with such Specified Policies. Upon the effectiveness of such cede and assumption, Exhibit A (and, to the extent applicable, Exhibit A-1 and Exhibit A-2) will automatically be amended to include such Specified Policies, and such Specified Policies shall be deemed to be Covered Policies hereunder as of the date of such cession. Upon the cession of any such Specified Policy, the Parties will make the payments required by Section 8(a)(vi) and, without duplication, with respect to the Specified Third Party Reinsurance and any other Third Party Reinsurance covering the Specified Policies, in each case, that is commuted or recaptured prior to or upon the effectiveness of such cession and assumption, Section 8(a)(v).

## **7. Reinsurance Follows Original Policies.**

(a) All reinsurance under this Agreement shall be subject in all respects to the same rates, terms, conditions, waivers and interpretations, and to the same modifications, cancellations and alterations as the respective Covered Policies to which such reinsurance relates, and, subject to Section 19, all Loss and potential Loss settlements by or on behalf of the Company shall be binding on the Reinsurer, the true intent of this Agreement being that the Reinsurer shall, in every case to which this Agreement applies, follow the fortunes of the Company; *provided, however*, that this Section shall not be construed to expand the liability of the Reinsurer beyond what is specifically assumed under this Agreement without the Reinsurer's prior written consent. Subject to paragraph (b) below and Section 19, the Company shall have complete and sole control of and direction of all activities, efforts and decisions relating to Covered Policies and the risks ceded under this Agreement, including all activities, efforts and decisions to (i) mitigate, investigate, negotiate, settle or defend a Loss or potential Loss, (ii) prevent, mitigate or investigate a Loss or potential Loss under Covered Policies as to which the Company has posted a loss reserve, (iii) investigate or work out a Loss or potential Loss, and (iv) protect, perfect and exercise any Recovery or security interests or other rights relating to any Covered Policy and may take any action as it may deem advisable with respect thereto. The Reinsurer shall be bound by the judgment of the Company as to the obligations and liabilities of the Company under any original insurance, subject to Section 19. The Reinsurer acknowledges that certain Covered Policies may provide that the Company's obligations to make payment under its Policies are unconditional, irrevocable and non-cancellable by the Company for any reason and that the Company has waived, and agreed not to assert, any and all rights (whether by counterclaim, set-off or otherwise) and defenses (including any defense of fraud or any defense based on misrepresentation, breach of warranty, or non-disclosure of information by any Person) whether acquired by subrogation, assignment or otherwise to the extent such rights and defenses may be available to the Company to avoid payment of its obligations under any Policy in accordance with the express provisions of any Policy.

(b) Subject to Section 19, the Company will be responsible for administering the Covered Policies, including loss mitigation, loss adjustment and claims payment, surveillance and reporting. The Company may use one or more

subcontractors or vendors to provide services that would have otherwise been performed by the Company's employees without first obtaining the prior approval of the Reinsurer; *provided*, that without the consent of the Reinsurer (not to be unreasonably withheld, delayed or conditioned), the Company may not subcontract all or substantially all of such services to any one or more third parties that are not affiliated with the Company or the Reinsurer.

(c) Except as expressly set forth in Section 13(c) or otherwise in this Agreement, nothing herein shall in any manner create any obligations or establish any rights against the Reinsurer in favor of any third party or any Person not party to this Agreement.

(d) The Company agrees to use reasonable efforts to provide notice to the Reinsurer promptly after the Company receives notice of a claim under any Covered Policy. Failure to provide such Notice shall not relieve the Reinsurer of its obligations hereunder for any Loss or potential Loss resulting from such claim.

## **8. Premiums and Commissions.**

(a) In consideration of the Reinsurer's obligations under this Agreement, the following payments shall be made:

(i) On the Closing Date, the Company shall pay to the Reinsurer the Closing Date UPR after giving effect to the proportional adjustment associated with Commutations and Recaptures on or prior to the Closing Date, which adjustment will be based on the gross and net unearned premium reserve amounts shown on Exhibit A. For the avoidance of doubt, any Policy listed on Exhibit A that has ceased to be a Covered Policy as of the Closing Date will not be included in the calculation of Closing Date UPR. An illustration of the adjustment with respect to Commutations and Recaptures is attached hereto as Schedule 1.

(ii) On the Closing Date, the Reinsurer shall pay to the Company a ceding commission equal to 21% of the payment made by the Company to the Reinsurer under Section 8(a)(i), which payment may be set off against the payment set forth under Section 8(a)(i) above.

(iii) On the Closing Date, the Reinsurer shall pay to the Company an additional ceding commission equal to the amount by which the ceding commission under each of its agreements for Third Party Reinsurance that are Commuted or Recaptured as of the Closing Date exceeded 21%.

(iv) After the Closing Date, the Reinsurer will promptly upon notice remit to the Company, without any interest thereon, any amounts paid by the Company to the Reinsurer pursuant to this Section 8, net of ceding commissions (without any interest thereon) paid by the Reinsurer hereunder, with respect to any Policy that is determined not to have been a Covered Policy as of the Closing Date.

(v) After the Closing Date, if any Third Party Reinsurance is Recaptured or Commuted (including Third Party Reinsurance with respect to any Specified Policy that is ceded by the Company to the Reinsurer in accordance with Section 6(i) or 6(j)), (A) the Company will promptly pay the Reinsurer an amount equal to the statutory unearned premium received upon Recapture or Commutation with respect to such Third Party Reinsurance, and (B) the Reinsurer will promptly pay to the Company a ceding commission equal to the ceding commission under such Third Party Reinsurance, which payment may be set off against the payment set forth under clause (A) above. For the avoidance of doubt, thereupon the indemnity reinsurance coverage provided by the Reinsurer hereunder shall not be net of such Recaptured or Commuted Third Party Reinsurance.

(vi) After the Closing Date, if any Specified Policy is ceded by the Company to the Reinsurer in accordance with Section 6(i) or 6(j), (A) the Company will promptly pay to the Reinsurer an amount equal to the aggregate net statutory unearned premium reserves of such Specified Policy as of the date such cession becomes effective (without giving effect to any Specified Third Party Reinsurance or any other Third Party Reinsurance covering the Specified Policies, in each case, that is commuted or recaptured prior to or upon the effectiveness of such cession under Section 6(i) or (j)), and (B) the Reinsurer will promptly pay to the Company a ceding commission equal to 21% of the payment made by the Company to the Reinsurer under clause (A) above, which payment may be set off against the payment set forth under clause (A) above.

(b) The payment under Section 8(a)(i) will be made by delivery to the Reinsurer of cash and the securities approved by the Parties in a separate letter agreement (such securities, the "Eligible Securities"). All other payments made pursuant to this Section 8 will be made in cash or, as provided in Section 8(a)(ii), by setoff.

(c) After the Closing, the Company and the Reinsurer will as soon as practicable, but in no event later than seven (7) Business Days after receipt from the NYID of the required terms thereof, enter into a trust agreement (the "Trust Agreement") in form and substance satisfactory to both Parties (subject to inclusion of all terms required by the NYID) with JP Morgan Chase Bank, N.A. or its Affiliate, as trustee (or, if JP Morgan Chase Bank, N.A. and its Affiliates are unwilling or unable to serve, such other trustee as agreed to by the Company and the Reinsurer), and upon the effectiveness of such Trust Agreement, the Reinsurer will deposit into the Trust cash and/or Eligible Securities equal to the fair market value of the cash and securities paid to the Reinsurer pursuant to this Agreement on the Closing Date or at any other time prior to the effectiveness of such Trust Agreement. So long as the Trust Agreement is in full force and effect, any payments by the Company hereunder after the Closing Date will be made to the Trust. Prior to the time that the Trust Agreement is in effect and the Trust is funded in accordance herewith, the Reinsurer will separate and maintain in a segregated account any payments received under this Section 8, and no withdrawals

may be taken on such segregated account without the consent of the Company except, upon the effectiveness of the Trust Agreement, to fund the Trust in accordance herewith.

#### **9. Reinsurer's Acknowledgement.**

(a) The Reinsurer has sufficient knowledge and experience in financial, business and other relevant matters to be capable of evaluating the risks and merits of entering into and performing this Agreement. Except for the representations, warranties and covenants made by the Company in the Master Agreement on the terms and subject to the conditions set forth therein, in entering into this Agreement, the Reinsurer is not relying on any representation as to any past or present fact or circumstance, or on any representation, prediction or estimation as to any future fact or circumstance, whatsoever made by or on behalf of the Company. Prior to the Reinsurer's execution and delivery of this Agreement, the Reinsurer has (i) been given the opportunity to ask questions of, and receive answers from, the Company concerning the terms and conditions of this Agreement and the subject matter of this Agreement, (ii) been given the opportunity to request and review such additional information necessary to evaluate the risks and merits of entering into and performing this Agreement and to verify the accuracy of or to supplement the information provided to the Reinsurer to the extent that the Company possesses such information, and (iii) received all documents and information reasonably necessary to make the decision to enter into and perform this Agreement.

(b) Subject to the Reinsurer's right to offset as set forth in Section 10 below, the Reinsurer hereby knowingly and voluntarily waives any and all defenses to payment under this Agreement that are based on misrepresentation and/or non-disclosure as to the subject matter of this Agreement at or prior to the Reinsurer's execution and delivery of this Agreement, and agrees not to seek rescission of this Agreement because of any actual or alleged misrepresentation and/or non-disclosure as to the subject matter of this Agreement at or prior to the Reinsurer's execution and delivery of this Agreement.

**10. Offset.** Except for the payments in Section 8 required to be made on the Closing Date, which may only be offset against each other, the Company and the Reinsurer may offset any balance or amount, whether on account of premiums, premium adjustments, commissions, claims, Losses, Recoveries, or otherwise, due from one Party to the other under this Agreement. The Party asserting the right of offset may exercise such right at any time whether the balance(s) due are on account of premiums or Losses or otherwise. In the event of the insolvency of a Party hereto, offsets shall only be allowed in accordance with applicable law, including Section 7427 of the New York Insurance Law. If payments are required to be made directly by the Reinsurer to any Payees as provided for in Sections 13 or 14, no offset shall be allowed between the Reinsurer and such Payees; *provided, however*, that the Reinsurer shall continue to maintain its offset rights against the Company as set forth in this Section 10.

**11. Errors and Omissions.** Inadvertent delays, errors or omissions made in connection with this Agreement shall not relieve either Party from any liability which

would have attached had such delay, error or omission not occurred, *provided* always that such delay, error or omission shall be rectified promptly after notification to or discovery by the Company or the Reinsurer, as the case may be.

## **12. Access to Records.**

(a) To the extent not prohibited or restricted by any applicable law and subject to Section 16 hereof, the Reinsurer or its duly authorized representative shall have access to, and be permitted to copy, the books, computer (on a read-only basis) records and files (including computer files, retrieval programs and similar documentation) of the Company or any third party referred to in Section 7(b) pertaining to the Covered Policies and Third Party Reinsurance (including, surveillance reports and ongoing monitoring information of the underlying transactions), during normal business hours, for the purpose of obtaining information about the Covered Policies and Third Party Reinsurance; *provided*, that the Company shall have the right to redact, on a reasonable basis, materials which are protected by attorney/client privilege or the attorney work product doctrine or that contain information unrelated to the Covered Policies or that are not material to the Covered Policies. The Company or its authorized representatives shall have access to, and be permitted to copy, the books, records and files of the Reinsurer relating to the Covered Policies, during normal business hours, for the purpose of obtaining information concerning the Covered Policies; *provided*, *however*, that the Reinsurer shall have the right to redact, on a reasonable basis, materials which contain pricing, client or market strategy, forecast or other confidential or proprietary information, materials which are protected by attorney/client privilege or the attorney work product doctrine or any information unrelated to or not material to the Covered Policies; *provided*, further, such Reinsurer books and records shall be subject to the same confidentiality protection as accorded by Section 16 as if Section 16 applies to such information. The Company shall cooperate with the certified public accountants of the Reinsurer in connection with the Reinsurer's audit of the premiums under the Covered Policies for purposes of Reinsurer's audited financial statements.

(b) If not publicly available and requested by the Company, the Reinsurer shall provide the Company with its statutory financial statements, prepared according to applicable statutory accounting rules, promptly after such statements become available for distribution and, if not publicly available and requested by the Reinsurer, the Company shall provide the Reinsurer with its annual and quarterly statutory financial statements promptly after such statements become available for distribution, in each case in the form prescribed by either the National Association of Insurance Commissioners or any insurance regulatory authority having jurisdiction over the Party providing such information.

(c) The Company shall, on the Closing Date, provide to the Reinsurer, at the Reinsurer's expense in the case of paper photocopies, copies (which may be in electronic form) of reports, records, underwriting files, claim files and other information reasonably requested by the Reinsurer and in the Company's possession that relate to the Covered Policies. The Reinsurer shall permit the Company access to and the right to copy (which may be in electronic form), during the Reinsurer's normal business

hours, all records generated by the Reinsurer that relate to the Covered Policies; *provided, however*, that the Reinsurer shall have the right to redact, on a reasonable basis, materials which contain pricing, client or market strategy, forecast or other confidential or proprietary information or any information not material to the Covered Policies. In the event that liability under a Covered Policy is reassumed by the Company, the Reinsurer as promptly as practicable shall transfer all records relating to such Covered Policy to the Company; *provided*, that the Reinsurer may keep a copy of such records (which may be in electronic form), subject to Section 16 hereof, and the Reinsurer shall have the right to redact, on a reasonable basis, materials which contain pricing, client or market strategy, forecast or other confidential or proprietary information or any information unrelated to or not material to the Covered Policies.

### **13. Cut-Through.**

(a) The Reinsurer will pay, in accordance with the Covered Policy, directly to the applicable holder of the insured securities or obligations thereunder ("Bondholder"), to the trustee, paying agent or other third party fiduciary acting on behalf of such Bondholder, to the Company's fiscal agent under such Covered Policy, on behalf of the Company, or to such other Person that is entitled to receive payment under the terms of the applicable Covered Policy (any such Bondholder or other Person, a "Payee"), 100% of any claim due and payable by the Company under such Covered Policy, subject to the terms, conditions, exclusions and limitations of such Covered Policy. As a condition of the Reinsurer's payment obligation, the Payee shall provide written notice (including facsimile) to the Reinsurer at the address specified in Section 20 of this Agreement (or any other address identified in writing by the Reinsurer to such Payee) for any Loss for which the Reinsurer may be liable pursuant to this section. Any such payment by the Reinsurer shall discharge the Company from its related payment obligation under the subject Covered Policy and shall be treated as a payment by the Company for all purposes of such Covered Policy and related documentation and otherwise, including for purposes of the Company's claims under Third Party Reinsurance. All notices, claims and suits or actions on such Covered Policy may be made directly to the Reinsurer as though it had originally issued such Covered Policy; *provided*, that the Reinsurer will provide a copy of any such notice, claim or suit or action to the Company within two (2) Business Days after Reinsurer's receipt thereof and will notify the Company within two (2) Business Days after any payment by the Reinsurer under this Section 13. In the event of any payment by the Reinsurer under this Section 13, the Reinsurer shall have the right to mitigate loss or otherwise to exercise any right of the Company with respect to the loss or claim under the Covered Policies.

(b) The Reinsurer shall have no obligation to indemnify the Company for amounts paid or payable by the Company in respect of a Covered Policy to the extent of any payments made by the Reinsurer to the applicable Payee of such Covered Policy in accordance with clause (a), and the Reinsurer shall be discharged of its payment obligations to the Company, or to its conservator, rehabilitator, receiver, liquidator or statutory successor ("Conservator"), under this reinsurance to the extent of such payments.

(c) The parties hereto acknowledge and agree that a Payee shall be entitled, as an express third-party beneficiary, to enforce against the Reinsurer its obligations to make payment directly to such Payee in the circumstances described in this Section 13 to the same extent as if such Payee were a party hereto, it being understood that the third-party beneficiary right of any Payee hereunder pertains solely to the payment obligations under the related Covered Policy and does not pertain to any other provisions of this Agreement.

(d) The Company shall, promptly after any payment by the Reinsurer to any Payee under this Section 13 for a claim payable by the Company under a Covered Policy, reimburse the Reinsurer for any amount due and payable to the Company in connection with such claim under any Third Party Reinsurance that is not Covered Third Party Reinsurance, whether or not collectible under such Third Party Reinsurance. The Company hereby assigns and transfers to the Reinsurer all of the Company's rights to the proceeds, if any, of the Covered Third Party Reinsurance to the extent that Reinsurer has paid a claim on a Covered Policy reinsured under such Covered Third Party Reinsurance, and promises to pay to the Reinsurer, any such proceeds promptly after receipt thereof by the Company. The Reinsurer will be subrogated to all rights of the Company under, arising out of, or relating to, the Covered Policies or any related Third Party Reinsurance to the extent of such payments under this Section 13 and the Company shall use its commercially reasonable efforts to assist the Reinsurer in pursuing any such subrogation rights.

#### **14. Insolvency of the Company.**

(a) In the event of insolvency and the appointment of a Conservator of the Company, the portion of any risk or obligation assumed by the Reinsurer hereunder shall be payable by the Reinsurer to the Conservator of the Company, on the basis of the liability of the Company under the Covered Policies, without diminution because of that insolvency, or because the Conservator has failed to pay all or a portion of any claims, directly to the Payees as their interests may appear.

(b) Payments by the Reinsurer as set forth above shall be made directly to the Company or to its Conservator, except where payment is made pursuant to Section 13. For the avoidance of doubt, the Payees are specified payees of the reinsurance under this Agreement in the event of the insolvency of the Company, as permitted by Section 1308(a)(2)(B)(i) of the New York Insurance Law.

(c) In the event of the insolvency of the Company, the Conservator of the Company shall give written notice to the Reinsurer of the pendency of a claim against the insolvent Company on each Covered Policy within a reasonable time after such claim is filed in the insolvency proceeding, and during the pendency of such claim the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated any defense or defenses which it may deem available to the Company or its Conservator. The expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the insolvent Company as part of the expense of liquidation or rehabilitation to the extent of the share of the



benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

## 15. Termination.

(a) The Company shall have the right, in its sole discretion, to terminate this Agreement by giving the Reinsurer written notice of termination upon the occurrence of any of the following events (each a "Special Cancellation Event"):

(i) An Insolvency Event shall have occurred with respect to the Reinsurer; or

(ii) The surplus to policyholders (as defined by the New York Insurance Law) of the Reinsurer falls below the greater of (i) \$75 million or (ii) the amount required by Section 6906 of the New York Insurance Law in effect or any successor equivalent provision from time to time; or

(iii) The Reinsurer fails to pay when due any amounts for Losses or potential Losses required to be paid by the Reinsurer under this Agreement, and such failure has not been cured within ten (10) Business Days following receipt by the Reinsurer of written notice of such failure; or

(iv) The Company fails to receive full credit on its financial statements under the New York Insurance Law for the reinsurance offered hereunder; or

(v) (A) The Reinsurer's Financial Strength Rating or Financial Enhancement Rating from S&P is downgraded below BBB- by S&P or the Reinsurer's Insurance Financial Strength Rating from Moody's is downgraded below Baa3 by Moody's or (B) either of the foregoing ratings is suspended or withdrawn other than in connection with the suspension or withdrawal of all ratings by S&P or Moody's, as the case may be, of financial guaranty companies generally.

(b) Upon the occurrence of a Special Cancellation Event, the Company shall have the right (the "Reassumption Right"), at its option, to reassume all, but not less than all, of the liability with respect to all Covered Policies ceded hereunder, such reassumption to become effective on the date specified in the Company's notice of termination, or, if no date is specified, immediately upon the giving of such notice (the "Reassumption Date"). The Company's Reassumption Right may be exercised at any time for so long as the Special Cancellation Event shall be continuing.

(c) Upon the reassumption of liability by the Company pursuant to this Section 15, the rights of third parties to receive payments from the Reinsurer under Section 13 immediately and automatically, without any further action on the part of the Company or the Reinsurer, shall cease.

(d) Upon the reassumption of liability by the Company pursuant to this Section 15, the Reinsurer shall automatically and without any further action on the part of the Company be unconditionally obligated to pay to the Company any and all of the then current loss reserves and unearned premiums (net of ceding commission) with respect to the Covered Policies for which the Company shall have reassumed liability, within five (5) Business Days after the Reassumption Date. In the event that the Company reassumes all liability previously ceded to the Reinsurer under this Agreement, then, upon payment by the Reinsurer to the Company of all amounts payable pursuant to this paragraph (d) or otherwise pursuant hereto, this Agreement shall terminate, except for the provisions of this Section 15 and Sections 1, 2, 3, 5, 9, 10, 12, 13(d), 16, 20 and 21 hereof, which shall continue in full force and effect.

## **16. Confidentiality.**

(a) Reinsurer agrees, for the benefit of the Company and the provider of any Third Party Information (as defined below), to use the same degree of care to keep the Company Information confidential as it employs with its own confidential information of like kind, and take all reasonable measures to keep the Company Information secret and confidential.

(b) The term "Company Information" shall mean all the following, whether provided by the Company, its officers, directors, employees, agents, advisors, legal counsel, auditors, Affiliates or other representatives (collectively, "Representatives"), whether in oral, written, digital or other form, and whether provided before or after the Closing Date: all information concerning the Company or its business, this Agreement, any Covered Policy or proposed policy or the related terms and conditions thereof, as well as all underlying transactions relating thereto and all information with respect to the parties to such transactions, their Affiliates, their businesses or operations or the assets covered by such transactions or otherwise provided by or on behalf of such parties in connection with such transactions ("Third Party Information"), and all certificates, notices, agreements and any other communications of any sort relating to the foregoing, together with all documents, materials and other information provided by the Company or its Representatives or third parties in connection with this Agreement or the foregoing items or matters, including any and all financial, technical (including underwriting and credit evaluation techniques, procedures, practices and methodologies), commercial or other information, and any notes, communications, analyses, compilations, studies, memoranda or other documents prepared or derived by the Reinsurer or others which contain or reflect all or any part of such documents, materials and other information.

(c) Notwithstanding anything contained herein to the contrary, any Company Information will not be deemed confidential if it (i) is in the public domain (through no breach of this Section by the Reinsurer or any of its Representatives of the obligations set forth in this paragraph), (ii) was lawfully in the Reinsurer's or any of its Representatives' possession at the time of disclosure, (iii) was lawfully received by the Reinsurer or any of its Representatives from a third party that, to the Reinsurer's or any of its Representatives' knowledge, was not under an obligation of confidentiality, directly

or indirectly, to the Company or a party to an underlying transaction, as applicable, (iv) as to which the Company has consented to disclosing or (v) was independently developed by the Reinsurer. If the Reinsurer is requested or required in connection with a judicial, regulatory, administrative, governmental or other legal proceeding or by applicable law to disclose any Company Information, unless prohibited by applicable law, court order, subpoena or similar legal process, the Reinsurer shall provide the Company with timely notice of such request, to the extent reasonably practicable, so that the Company (or a party to an underlying transaction, as applicable) may seek, at the Company's (or such party's) expense, an appropriate protective order, but in any event the Reinsurer may disclose the Company Information it is advised by counsel it is required to disclose.

**17. Salvage and Subrogation.** Subject to Section 19 hereof, the Reinsurer shall be bound by the judgment of the Company concerning the salvage and subrogation rights and remedies of the Company under any Covered Policy, and the Company shall have complete and sole control of direction of all claims and salvage and subrogation remedies. In the event there are any Recoveries recovered subsequent to a Loss settlement, it is agreed that the amount recovered shall first be applied to the reimbursement of the Reinsurer. Expenses hereunder shall exclude all office expenses and salaries of officers and employees of the Company or the costs of any third party under Section 7(b).

**18. Financial Statement Credit.** The Reinsurer will take, and upon the request and at the discretion of the Company, will provide the Company evidence that the Reinsurer has taken, all steps necessary, if any, to ensure that the Company obtains full financial statement credit according to statutory requirements in all applicable United States jurisdictions in which the Company is licensed to transact insurance business (or to whose jurisdiction the Company otherwise submits), including Section 6906 of the New York Insurance Law, for the reinsurance ceded to the Reinsurer hereunder, including the posting of security, the maintenance of Reserves or aggregate risk limits, the posting of a letter of credit, the establishment of a trust, or a combination of the foregoing, by the Reinsurer in such amount, in such form and on such other terms and conditions as shall be required for the Company to obtain such full financial statement credit. Any term or condition required by such law or regulation to be included in this Agreement for the Company to receive full financial statement credit for the reinsurance provided hereunder will be deemed incorporated in this Agreement by this reference to the extent not inconsistent with the express terms of this Agreement.

**19. Amendment of Covered Policies; Services Agreement.**

(a) Except with the prior written consent of the Reinsurer, which consent will not be unreasonably withheld, delayed or conditioned, the Company shall not amend or modify the terms or conditions of any Covered Policy (including to any contract riders or endorsements thereto). The Company shall not amend or modify the terms and conditions of the Covered Policies in any manner which increase the liability or risk of liability of the Reinsurer hereunder. In the event that any such amendments or modifications are made in any Covered Policy other than in accordance with this

Section 19(a), this Agreement will cover liability incurred by the Company for Losses as if such changes, amendments or modifications had not been made.

(b) The parties acknowledge that they may, in accordance with Section 5(c) of the Master Agreement, enter into the Services Agreement substantially in the form attached as Exhibit B to the Master Agreement (the "Services Agreement"), pursuant to which Reinsurer will perform the activities specified therein on behalf of the Company. Actions taken by the Reinsurer as contemplated by and in accordance with the Services Agreement will not constitute a breach by the Company of any Company obligation under this Agreement. As long as the Services Agreement is in full force and effect and notwithstanding anything to the contrary in this Agreement, including Section 7, the Company shall have assigned its rights and delegated its obligations to take the actions and control the matters specified in the Services Agreement exclusively to Reinsurer as provided in the Services Agreement and such delegation shall control notwithstanding anything to the contrary in this Agreement. This does not authorize the Company to take any action that is the exclusive responsibility of Reinsurer under the Services Agreement and, and as long as the Services Agreement is in full force and effect and the Reinsurer is performing its claims payment obligations thereunder, the provisions of Section 6(f) hereof will not apply. The Reinsurer will not deny coverage, or seek to avoid the provision of reinsurance, under this Agreement, or pursue any other legal or equitable right or remedy against the Company, on the grounds of any act, error or omission in the provision of services under the Services Agreement. Until such time as the parties have entered into the Services Agreement, in the event of a conflict between this Agreement and Section 5(c)(iii) of the Master Agreement, Section 5(c)(iii) of the Master Agreement will control.

**20. Addresses for Notices and Remittances.** There is no reinsurance intermediary recognized as such in connection with this Agreement and all reports, payments, remittances, notices, letters, financial statements or any other communications will be direct between the Parties to this Agreement and will be addressed as follows:

*If to the Company, to:*

Financial Guaranty Insurance Company  
125 Park Avenue  
New York, NY 10017  
Attn: General Counsel  
Facsimile: 212-312-3221

*With a copy to:*

Jones Day  
222 East 41<sup>st</sup> Street  
New York, NY 10017  
Attn: Marilyn Sonnie, Esq.  
Facsimile: 212-755-7306

*If to Reinsurer, to:*

MBIA Insurance Corporation  
113 King Street  
Armonk, NY 10504  
Attn: General Counsel  
Facsimile: (914) 765-3919

*With a copy to:*

Sidley Austin LLP  
One South Dearborn  
Chicago, IL 60603  
Attn: Thomas Albrecht  
Facsimile: 312-853-7036

*provided, however,* that in the event a party notifies the other party in writing of a change in address, all such communications will thereafter be directed to the address indicated in such notice. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given upon receipt. A party shall have been deemed to have received any communication hereunder as follows: (i) if in writing and delivered in person or by courier, on the date it is delivered, (ii) if sent by certified or registered mail or the equivalent (return receipt requested), on the date that such mail is delivered or its delivery is attempted, and (iii) if sent by email or facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt of such transmission will be on the sender and will not be met by a transmission report or "read receipt" generated by the sender's facsimile machine or email system, as the case may be), in each case unless the date of that delivery (or attempted delivery) is not a Business Day or the related delivery (or attempted delivery) is made after the close of business on a Business Day, in which case the related communication will be deemed to have been received (if delivered in accordance with this Section 20) on the following Business Day.

## **21. Miscellaneous.**

(a) This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York applicable to agreements made and to be performed entirely therein without reference to such State's principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

(b) Each party hereby irrevocably agrees that any legal proceeding with respect to, arising out of, or otherwise relating to this Agreement may be brought and determined in any federal or state court located in the State and City of New York, and each party hereby irrevocably submits with regard to any such legal proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive

jurisdiction of the aforesaid courts. Each party hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any legal proceeding with respect to, arising out of, or otherwise relating to this Agreement (i) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to lawfully serve process, (ii) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (iii) to the fullest extent permitted by applicable law, that (x) the legal proceeding in any such court is brought in an inconvenient forum, (y) the venue of such legal proceeding is improper, and (z) this Agreement may not be enforced in or by such courts. Each party hereto agrees that service of any process, summons, notice or document on such party as provided in Section 20 shall be effective service of process for any legal proceeding brought against such party in such courts.

(c) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY AND CONSENT AND AGREE THAT DISPUTES HEREUNDER SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

(d) Each Party acknowledges that money damages may be both incalculable and an insufficient remedy for any breach of this Agreement by such Party and that any such breach would cause the other Party irreparable harm. Accordingly, each Party also agrees that, in the event of any breach or threatened breach of the provisions of this Agreement by such Party, the other Party shall be entitled to seek equitable relief without the requirement of posting a bond or other security, including in the form of injunction and orders for specific performance, in addition to all other remedies available at law or in equity.

(e) Except as otherwise provided in this Agreement, the failure by any Person to comply with any obligation, covenant or condition under this Agreement may be waived by the Person entitled to the benefit thereof only by a written instrument signed by the Person granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition will not operate as a waiver or continuing waiver of, or estoppel with respect to, any subsequent or other failure. The failure of any Person to enforce at any time any of the provisions of this Agreement will in no way be construed to be a waiver or continuing waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any Person thereafter to enforce each and every such provision. No waiver of any breach of such provisions will be held to be a waiver or continuing waiver of any other or subsequent breach.

(f) This Agreement will be binding upon and will inure to the benefit of the signatories hereto and their respective successors and permitted assigns. Subject to Section 7(b), neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, and any attempt to make any such assignment without such consent will be null and void; *provided, however*, that the Reinsurer shall have the right to assign its rights, interests

and/or obligations hereunder (whether through an assumption and assignment, reinsurance transaction or otherwise) at any time without the consent of FGIC to MBIA Insurance Corp. of Illinois or Capital Markets Assurance Corporation, *provided that*, (x) at the time of such assignment, such entity (i) is a wholly owned direct or indirect subsidiary of MBIA Inc., (ii) is licensed as a financial guaranty company under Article 69 of the New York Insurance Law, (iii) is otherwise qualified to act as Reinsurer hereunder, and (iv) after giving effect to such assignment, has insurer financial strength ratings issued by the Rating Agencies no lower than those of the Reinsurer at the time of such assignment, and (y) Reinsurer gives the Company reasonable prior written notice of such assignment.

(g) All rights and restrictions contained herein may be exercised and shall be applicable and binding only to the extent that they do not violate any applicable laws and are intended to be limited to the extent necessary to render this Agreement legal, valid and enforceable. If any term of this Agreement, or part thereof, not essential to the purpose of this Agreement shall be held to be illegal, invalid or unenforceable by a court of competent jurisdiction, it is the intention of the Parties that the remaining terms hereof, or part thereof shall constitute their agreement with respect to the subject matter hereof and all such remaining terms, or parts thereof, shall remain in full force and effect. To the extent legally permissible, any illegal, invalid or unenforceable provision of this Agreement shall be replaced by a valid provision which will implement the purpose of the illegal, invalid or unenforceable provision.

(h) This Agreement (including the Exhibits and Schedules attached hereto), the Master Agreement, the Services Agreement (if an when entered into), the letter agreement referred to in Section 8(b) and, when entered into in accordance with Section 8(c), the Trust Agreement collectively constitute the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter of this Agreement.

(i) When a reference is made in this Agreement to Sections, Exhibits or Schedules, such reference will be to a Section, Exhibit or Schedule to this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and will 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 will be deemed to be followed by the words "without limitation." Unless the context otherwise requires, (i) "or" is disjunctive but not necessarily exclusive, (ii) words in the singular include the plural and vice versa, and (iii) the use in this Agreement of a pronoun in reference to a party hereto includes the masculine, feminine or neuter, as the context may require. All Schedules and Exhibits hereto will be deemed part of this Agreement and included in any reference to this Agreement.

(j) The Parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(k) This Agreement may be executed in any number of counterparts, and all of such counterparts, taken together, shall evidence one and the same agreement. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or by electronic mail in “portable document format” form shall have the same effect as physical delivery of the paper document bearing the original signature.

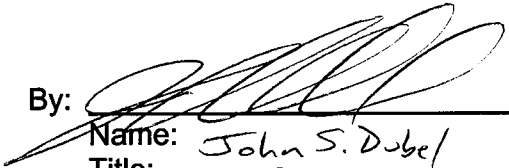
(l) All payments, reports and calculations pursuant to this Agreement shall be in United States currency (converted, where applicable, at the same rates of exchange used by the Reinsurer in its books of account).

**\*\* REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS \*\***



**IN WITNESS WHEREOF**, each of the parties hereto has caused this Agreement to be signed by their respective duly authorized officers as of the date first written above.

**FINANCIAL GUARANTY INSURANCE COMPANY**

By:   
Name: John S. Dubel  
Title: EVP & CRO

**MBIA INSURANCE CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

**IN WITNESS WHEREOF**, each of the parties hereto has caused this Agreement to be signed by their respective duly authorized officers as of the date first written above.

**FINANCIAL GUARANTY INSURANCE  
COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**MBIA INSURANCE CORPORATION**

By:   
Name: William C. Fallon  
Title: Managing Director (Head of Strategy)

**Exhibit A**  
**to the Reinsurance Agreement**  
**COVERED POLICIES**

See attachment.

**Exhibit A-1  
to the Reinsurance Agreement**

**COVERED POLICIES WRITTEN AFTER DECEMBER 31, 2007**

See attachment.

Exhibit A-1

Policy Id	Policy	Revenue Stream Name	Gross Par Inforce	Net Par Inforce	STAT UPR 6/30/08	Net STAT UPR 6/30/08	Cusip
05010380	Blue Ridge HealthCare Sys, NC Hosp Rev 05A	Blue Ridge Health Care System, NC	\$ 115,000	\$ 115,000	\$ 2,324	\$ 2,324	657902X31
05010380	Blue Ridge HealthCare Sys, NC Hosp Rev 05A	Blue Ridge Health Care System, NC	\$ 730,000	\$ 730,000	\$ 15,144	\$ 15,144	657902X49
05010380	Blue Ridge HealthCare Sys, NC Hosp Rev 05A	Blue Ridge Health Care System, NC	\$ 840,000	\$ 840,000	\$ 17,878	\$ 17,878	657902X56
05010380	Blue Ridge HealthCare Sys, NC Hosp Rev 05A	Blue Ridge Health Care System, NC	\$ 575,000	\$ 575,000	\$ 12,548	\$ 12,548	657902X64
05010380	Blue Ridge HealthCare Sys, NC Hosp Rev 05A	Blue Ridge Health Care System, NC	\$ 4,620,000	\$ 4,620,000	\$ 128,910	\$ 128,910	657902X72
05010380	Blue Ridge HealthCare Sys, NC Hosp Rev 05A	Blue Ridge Health Care System, NC	\$ 1,900,000	\$ 1,900,000	\$ 41,605	\$ 41,605	657902X80
05010380	Blue Ridge HealthCare Sys, NC Hosp Rev 05A	Blue Ridge Health Care System, NC	\$ 1,385,000	\$ 1,385,000	\$ 31,259	\$ 31,259	657902X98
05010380	Blue Ridge HealthCare Sys, NC Hosp Rev 05A	Blue Ridge Health Care System, NC	\$ 1,380,000	\$ 1,380,000	\$ 32,074	\$ 32,074	657902Y22
05010380	Blue Ridge HealthCare Sys, NC Hosp Rev 05A	Blue Ridge Health Care System, NC	\$ 23,455,000	\$ 23,455,000	\$ 706,573	\$ 706,573	657902Y30
93010536	Niagara Falls Brdg Commiss 93	Niagara Falls Brdg Commission	\$ 4,715,000	\$ 4,417,404	\$ 37,319	\$ 34,950	653403BG9
93010536	Niagara Falls Brdg Commiss 93	Niagara Falls Brdg Commission	\$ 35,190,000	\$ 32,968,917	\$ 312,974	\$ 293,119	653403BJ3
93010536	Niagara Falls Brdg Commiss 93	Niagara Falls Brdg Commission	\$ 23,440,000	\$ 21,960,540	\$ 253,318	\$ 237,262	653403BL8

**Exhibit A-2  
to the Reinsurance Agreement**

**POLICIES NOT SUBJECT TO GROSS PAR LIMITATION**

See attachment.

Exhibit A-2 to Reinsurance Agreement - Ancillary Policies  
As of June 30, 2008

Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
00010002	Beaufort-Jasp Co W&S Rev 2000	Beaufort-Jasp Co WS Auth, Rev	Segregated DSRF Policy	00010001
00010200	Maine Turnpike Authority Rev00	Maine Turnpike Authority	Segregated DSRF Policy	00010197
00010317	Fresno, CA Sewer 2000A Sub.	Fresno, CA Sewer System	Segregated DSRF Policy	00010316
00010399	Sacramento Reg. CSD, CA 2000AB	Sacramento Regional CSD, CA	Segregated DSRF Policy	00020068
00010463	Peoria, AZ W&S Rev Series 2000	Peoria (City of), Arizona WIFA	Segregated DSRF Policy	00010462
00010513	North Harris Mntg CCD,TX Rev00	North Harris Mntg CCD,TX Rev	Segregated DSRF Policy	00010512
00010580	Regional Trans Auth, LA Sur 91	Regional Trans Auth, LA Sls Tx	Segregated DSRF Policy	91010529
00010802	Boise, ID Airport Rev COP 2000	Boise, ID Airport Rev. COP	Segregated DSRF Policy	00010799
00010857	Gallup, NM Sales Tax 2000	Gallup, NM Sales Tax	Segregated DSRF Policy	00010856
01010110	Reg Trans Auth,IL SLS TX 01B	Regional Transportation Auth, IL Sales Tax	Segregated DSRF Policy	01010109
01010124	Cucamonga County, CA Water 00	Cucamonga County, CA Water	Segregated DSRF Policy	01010123
01010320	Regional Transportation Auth, IL Sales Tax 2001A	Regional Transportation Auth, IL Sales Tax	Segregated DSRF Policy	01010318
01010323	Metro Nashville Arpt,TN 2001A	Metropolitan Nashville Arpt,TN	Segregated DSRF Policy	01010321
01010480	Palm Beach Cnty, FL Non-Ad Vlm Series 2001	Palm Beach Cnty, FL Non-Ad Vlm	Segregated DSRF Policy	01010478
01010539	Round Rock Transp Sys Dev Corp, TX Sales Tax 2001	Round Rock, Texas Sales Tax	Segregated DSRF Policy	01010538
01010597	Cucamonga County, CA Water 2001	Cucamonga County, CA Water	Segregated DSRF Policy	01010596
01010644	Marion County, FL Utility System Rev 2001	Marion County, FL W&S Rev	Segregated DSRF Policy	01010645
01010698	Escambia County Utilities Authority, FL W&S 2001	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	01010697
01010726	Palm Bay, Florida W&S 2001 Surety	Palm Bay, Florida WS	Segregated DSRF Policy	01010724
01012083	Wichita, Kansas Watr & Sewer	Wichita (City of), KS WS	Segregated DSRF Policy	01012082
01012150	Hillsborough County, FL CIT, Rev 2001 A - Surety	Hillsborough County, FL CIT Sales Tax	Segregated DSRF Policy	01012148
01012156	Hillsborough County, FL CIT, Rev 2001 B - Surety	Hillsborough County, FL CIT Sales Tax	Segregated DSRF Policy	01012148
01012199	Detroit, MI Sewer Disposal Second Lien 2001E	Detroit, MI Sewer Disposal Rev	Segregated DSRF Policy	01012198
01012215	Seminole County, FL SLS TX 2001	Seminole County, Florida Sls Tx	Segregated DSRF Policy	01012214
01012236	Norfolk, Va Water Revenue 2001	Norfolk (City of), VA WS	Segregated DSRF Policy	01012234
01012259	Brevard County, FL Sales Tax 2001	Brevard County, FL Sales Tax	Segregated DSRF Policy	01012258
01012302	Fort Pierce (City of), FL 2001	Fort Pierce (City of), FL	Segregated DSRF Policy	01012301
01012385	Wichita, Kansas Water & Sewer 2001	Wichita (City of), KS WS	Segregated DSRF Policy	01012384
01012426	Escambia County Utilities Authority, FL W&S 2001B	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	01012425
02010013	Cleburne 4B Economic Dev Corp, Texas Series 2001	Cleburne 4B Economic Development Corp, Texas	Segregated DSRF Policy	02010012
02010177	Stockton-East Water District, CA W&S 2002	Stockton-East Water District, CA WS	Segregated DSRF Policy	02010176
02010463	Stockton-East Water Dist, CA W&S 2002B	Stockton-East Water District, CA WS	Segregated DSRF Policy	02010462
02010479	Anderson (City of), SC Wtr & Swr 2002	Anderson (City of), SC Sewer System	Segregated DSRF Policy	02010478
02010519	Phoenix, Az Airport 2002 Senior Lien	Phoenix, Az Airport	Segregated DSRF Policy	02010518
02010555	Kansas City (City of), MO Wtr Sys 2002C	Kansas City (City of), MO Rev Water Sys	Segregated DSRF Policy	02010554
02010739	St. Charles (City), MO Lse 02	St. Charles (City), MO GO	Segregated DSRF Policy	02010737
02010750	San Bruno Wastewater, CA '02	San Bruno Wastewater, CA	Segregated DSRF Policy	02010749
02010805	Cache County, UT Sales Tax 2002	Cache County, UT Sales Tax	Segregated DSRF Policy	02010804

Exhibit A-2 to Reinsurance Agreement - Ancillary Policies  
As of June 30, 2008

Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
02010859	Polk County, Florida Sales Tax Series 2002	Polk County, FL Sales Tax Rev	Segregated DSRF Policy	02010858
02010926	Regional Transportation Authority, IL Sls Tx 2002B	Regional Transportation Auth, IL Sales Tax	Segregated DSRF Policy	02010925
02011012	Contra Costa Tran Auth, CA Sales Tax 02A	Contra Costa Tran Auth,SLS TAX	Segregated DSRF Policy	02010998
02011082	Mount Pleasant, SC Wtr & Swr 2002	Mount Pleasant, SC Wtr & Swr	Segregated DSRF Policy	02011081
02011085	Mount Pleasant, SC W&S '02 Surety Only	Mount Pleasant, SC Wtr & Swr	Segregated DSRF Policy	02011081
02011244	Hallsdale-Powell UD, TN Wtrwrks & Swr Rev Ref 02AB	Hallsdale-Powell UD, TN WWwks Swr Rev	Segregated DSRF Policy	02011243
02011318	South Blount County Util Dist, TN Wtrwrks Rev 2002	South Blount County Util Dist, TN Wtrwrks Rev	Segregated DSRF Policy	02011317
02011444	Port of Seattle, WA, subordinate. rev., 2002	Port of Seattle, WA Airport Rev	Segregated DSRF Policy	02011443
02011478	Elsinore Valley MWD, CA W&S 2002A	Elsinore Valley, CA WS	Segregated DSRF Policy	02011477
02011582	Nevada Irrigation Dist, CA Rev Cert. Ref 02	Nevada Irrigation Dist, CA Water Rev	Segregated DSRF Policy	02011581
03010065	Ojai Valley Sanitary Dist, CA Wastewater Rev 02	Ojai Valley San District, CA Wastewater	Segregated DSRF Policy	03010064
03010088	Riverton, UT Wtr Rev Ref 2003	Riverton (City of), UT Water Rev Ref	Segregated DSRF Policy	03010087
03010089	Riverton, UT Wtr Rev Rfdg-2000B standalone surety	Riverton (City of), UT Water Rev Ref	Segregated DSRF Policy	00010628
03010091	Thomasville City, NC Rev 2003	Thomasville City, NC Rev	Segregated DSRF Policy	03010090
03010135	Burlingame Fin Auth, CA Wtr Rev 03	Burlingame Fin Auth, CA Wtr. Rev	Segregated DSRF Policy	03010134
03010136	Burlingame Fin Auth, CA Swr Rev 03	Burlingame Fin Auth, CA Swr Rev	Segregated DSRF Policy	03010134
03010158	Kansas City, MO Airport Rev 2003AB	Kansas City, MO Airport Rev	Segregated DSRF Policy	03010157
03010159	Kansas City, MO Airport Rev 2003B surety	Kansas City, MO Airport Rev	Segregated DSRF Policy	03010290
03010183	South Gate Utility Authority,CA	South Gate Utility Authority,CA	Segregated DSRF Policy	01012323
03010185	Wichita, Kansas Wtr & Sewer 2003	Wichita (City of), KS WS	Segregated DSRF Policy	03010184
03010223	San Francisco Redev. Proj TABS Series A,B & C	San Francisco Redevelopment Fin Auth, TABs	Segregated DSRF Policy	03010222
03010224	SAN FRANCISCO REDEV PROJ, TABs 2003B (Surety)	San Francisco Redevelopment Fin Auth, TABs	Segregated DSRF Policy	03010233
03010225	SAN FRANCISCO REDEV PROJ, TABs 2003C (Surety)	San Francisco Redevelopment Fin Auth, TABs	Segregated DSRF Policy	03010297
03010281	Cache County, UT Sales Tax Series 2003	Cache County, UT Sales Tax	Segregated DSRF Policy	03010280
03010341	Arkansas Dev Fin. Auth, AK (Corr. Fac. Rev.) 2003A	Arkansas Dev Fin. Auth, AK (Corr. Fac. Rev.)	Segregated DSRF Policy	03010340
03010353	Cucamonga County, CA Water 2003	Cucamonga County, CA Water	Segregated DSRF Policy	03010352
03010355	Deer Creek Drainage, PA Swr Rev 2003	DEER CREEK DRAINAGE, PA SWRREV	Segregated DSRF Policy	03010354
03010520	Clearfield City, UT Sales Tax Rev 2003	Clearfield City, UT Sales Tax Rev	Segregated DSRF Policy	03010519
03010532	Regional Transportation Authority, IL Sls Tx 03AC	Regional Transportation Auth, IL Sales Tax	Segregated DSRF Policy	03010531
03010533	Regional Transportation Auth, IL Sls Tx 03C Surety	Regional Transportation Auth, IL Sales Tax	Segregated DSRF Policy	03010531
03010571	San Marcos Pub Fac Auth CA Proj Area 1 TAB	San Marcos PFA, CA TABs Proj Area No. 1	Segregated DSRF Policy	03010570
03010573	San Marcos Pub Fac Auth, CA 03 TAB Proj Area No. 2	San Marcos PFA TABs, CA Proj Areas No. 1, 2, and 3	Segregated DSRF Policy	03010572
03010606	Washington Terrace (City), Utah W&S 2001 Surety	Washington Terrace (City), Utah W&S	Segregated DSRF Policy	01010633
03010689	Volusia County, FL Wtr/Sew 03 Ref	Volusia County, FL Water/Sewer	Segregated DSRF Policy	03010688
03010703	Duquesne Univ, PA Rev 2003	Duquesne Univ, PA Rev	Segregated DSRF Policy	03010702
03010704	St. Peters (City of), MO Wtr/Swr Rev 2003	St. Peters (City), MO WS	Segregated DSRF Policy	03010705
03010756	Escambia County Utilities Authority, FL W&S 2003	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	03010755
03010758	Lacey Twp MUA, NJ Wtr Rev Ref GO 2003A	Lacey Twp NJ GO	Segregated DSRF Policy	03010757



Exhibit A-2 to Reinsurance Agreement - Ancillary Policies  
As of June 30, 2008

Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
03010767	Lacey Twp MUA, NJ Wtr Rev Ref GO 2003B	Lacey Twp NJ GO	Segregated DSRF Policy	03010766
03010822	Bloomington (City of), IN Waterworks Rev Ref 2003	Bloomington, IN Wtr Utl Revs	Segregated DSRF Policy	03010821
03010826	Deer Creek Drainage, PA Swr Rev Ref 2003A	DEER CREEK DRAINAGE, PA SWRREV	Segregated DSRF Policy	03010825
03010876	Washington, DC Wtr/Swr Auth 2003	Washington, DC WtrSwr Auth	Segregated DSRF Policy	03010875
03010953	Metropolitan Water Dist, CA Rev 03, Ser B-1 & B-2	Metropolitan Water District CA	Segregated DSRF Policy	03010952
03010969	Metro Washington DC Arpt 2003 B	Metro Wash, DC Airports Rev	Segregated DSRF Policy	03010968
03011039	Rhode Island EDC (Arpt) 03A	Rhode Island EDC (Arpt)	Segregated DSRF Policy	03011038
03011047	Hillsboro (City of), OR Wtr Rev 2003	Hillsboro (City of), OR Wtr Rev	Segregated DSRF Policy	03011046
03011073	Albany (City of), OR Water Rev and Ref 2003	Albany (City of), OR Water Rev and Ref 2003	Segregated DSRF Policy	03011072
03011120	Metro Nashville Arpt Auth,TN Rev 03B	Metropolitan Nashville Arpt,TN	Segregated DSRF Policy	03011119
03011139	El Dorado Irrigation Dist (EID), CA Rev COPs 2003A	El Dorado Irrig Dist CA COPs	Segregated DSRF Policy	03011138
03011182	Chino Hills (City of), CA Water Sys Ref COPs 2003	Chino Hills, CA Water Sys COPs	Segregated DSRF Policy	03011181
04010025	Santa Clara Valley Wtr Dist, CA Ref COPs 04A	Santa Clara Val Water Dist, CA	Segregated DSRF Policy	04010024
04010080	San Francisco Redev Proj, TABs 1993B Surety	San Francisco Redevelopment Fin Auth, TABs	Segregated DSRF Policy	93010553
04010091	Cincinnati/Hamilton Co Conven Auth, OH Hotel Tx 04	Cincinnati/Hamilton Co Conven Auth, OH Hotel Tx	Segregated DSRF Policy	04010090
04010101	Palm Beach Cnty, FL Non-Ad Vlm Rev Ref 2004	Palm Beach Cnty, FL Non-Ad Vlm	Segregated DSRF Policy	04010100
04010108	Arkansas St Univ (Jonesboro), AR Housing Rev 2004	Arkansas St Univ (Jonesboro), AR GO	Segregated DSRF Policy	04010107
04010110	Arkansas St Univ (Jonesboro), AR Stud Fee Rev 2004	Arkansas St Univ (Jonesboro), AR GO	Segregated DSRF Policy	04010109
04010160	Duquesne Univ, PA Rev Student Hous 2004	Duquesne Univ, PA Rev	Segregated DSRF Policy	04010159
04010219	Riverton (City of), UT Wtr Rev Ref 2004	Riverton (City of), UT Water Rev Ref	Segregated DSRF Policy	04010218
04010233	San Francisco Redev Proj, TABs 2004 A	San Francisco Redevelopment Fin Auth, TABs	Segregated DSRF Policy	04010232
04010260	Centennial Water & Sani Dist, CO Rev and Ref 04	Centennial Water Sani Dist, CO	Segregated DSRF Policy	04010259
04010266	Miami-Dade Co, FL Cap Asset Acquis MUNI-CPI 04A	Miami-Dade County, FL Non-Ad	Segregated DSRF Policy	04010265
04010270	Chelan Hydro Cons System (PUD #1), WA Rev 04	Chelan County PUD #1, WA	Segregated DSRF Policy	04010269
04010272	Chelan Hydro Cons System (PUD #1), WA Rev 04B	Chelan County PUD #1, WA	Segregated DSRF Policy	04010271
04010274	Chelan Hydro Cons System (PUD #1), WA Rev 04C	Chelan County PUD #1, WA	Segregated DSRF Policy	04010273
04010276	Chelan Hydro Cons System (PUD #1), WA Rev 04E	Chelan County PUD #1, WA	Segregated DSRF Policy	04010275
04010279	South Ogden City, UT Sales Tax Rev & Ref 04	South Ogden City, UT Sales Tax Rev	Segregated DSRF Policy	04010278
04010312	Phoenix (City of), AZ Cons Car Rental Fac Rev	Phoenix (City of), AZ Cons Car Rental Fac Rev	Segregated DSRF Policy	04010311
04010314	Bradley Intl Arpt, CT Rev Ref 04	Connecticut-Bradley Intl Arpt	Segregated DSRF Policy	04010313
04010321	Anaheim Pub Fin Auth, CA Mello Roos 04A	Anaheim Pub Fin Auth, CA Mello Roos 04A	Segregated DSRF Policy	04010320
04010324	Myrtle Beach (City of), SC Accomod Fee Rev 2004	Myrtle Beach (City of), SC Accomod Fee Rev	Segregated DSRF Policy	04010323
04010333	Univ of New Orleans (LSU BOS), LA Std Fee Rev 04A	Univ of New Orleans (LSU BOS), LA Rev	Segregated DSRF Policy	04010332
04010360	Massachusetts Commonwealth, MA Hotel Tax Rev 04	Massachusetts Commonwealth, MA Hotel Tax Rev	Segregated DSRF Policy	04010359
04010364	Anaheim Pub Fin Auth, CA Mello Roos 04A SY	Anaheim Pub Fin Auth, CA Mello Roos 04A	Segregated DSRF Policy	04010320
04010386	Kansas City, MO GARB Rev Ref 04E	Kansas City, MO Airport Rev	Segregated DSRF Policy	04010385
04010388	Port of Seattle, WA Rev Rfdg 2004	Port of Seattle, WA Airport Rev	Segregated DSRF Policy	04010387
04010466	Corona RDA, CA TAB Ref 04	Corona RDA, CA TAB	Segregated DSRF Policy	04010464

Exhibit A-2 to Reinsurance Agreement - Ancillary Policies  
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Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
04010485	Lucia Mar USD, CA COPS 04AB	Lucia Mar USD, CA COPS	Segregated DSRF Policy	04010484
04010487	Otay Water District, CA Rev Ref 04	Otay Water Dist, CA Water	Segregated DSRF Policy	04010486
04010534	Grand Rapids, MI Sani Swr Sys Rev 04	Grand Rapids Sewer Rev	Segregated DSRF Policy	04010533
04010542	Murrieta Valley USD (CFD's), CA Mello Roos 04	Murrieta Valley USD (CFDs), CA Mello Roos	Segregated DSRF Policy	04010541
04010552	Alabama St. Univ., AL GO	Alabama St. Univ., AL Gen Rev	Segregated DSRF Policy	04010551
04010569	Manatee County, FL Rev Impv 04	Manatee County, FL Non-ad valm	Segregated DSRF Policy	04010568
04010578	Palmdale Water District, CA Rev COPS 04	Palmdale Water District, CA	Segregated DSRF Policy	04010577
04010600	Riviera Beach (City of), FL W&S Rev 04	Riviera Beach (City of), FL WS	Segregated DSRF Policy	04010599
04010602	Public Utility Dist #1 (Cowlitz Cnty), WA Rev 04	Public Utility Dist #1 (Cowlitz Cnty), WA Rev	Segregated DSRF Policy	04010601
04010608	Manteca USD, CA CFD 1989-2 2004D	Manteca USD, CA CFD 1989-2 Mello Roos	Segregated DSRF Policy	04010607
04010625	Louisiana State Univ (New Orleans), LA Rev Ref 04	Univ of New Orleans (LSU BOS), LA Rev	Segregated DSRF Policy	04010624
04010635	Sierra Joint CCD, CA COPS 04	Sierra Joint CCD, CA COPS	Segregated DSRF Policy	04010634
04010641	Lee Co IDA (Bonita Springs Util), FL W&S 04A	Bonita Springs, FL WS (Lee County)	Segregated DSRF Policy	04010640
04010647	Coastal Water Auth, TX Rev 04 (Houston City Proj)	Houston (City of), TX WS Rev	Segregated DSRF Policy	04010645
04010651	Hallsdale-Powell UD, TN WWks & Swr Rev 04	Hallsdale-Powell UD, TN WWwks Swr Rev	Segregated DSRF Policy	04010650
04010665	Lee County, FL 5 Cent Gas Tax Ref Rev 04	Lee County, FL 5 Cent Gas Tax	Segregated DSRF Policy	04010664
04010674	Ramapo College (NJEFA), NJ Rev 04E	Ramapo College (NJEFA) Lease Rev	Segregated DSRF Policy	04010673
04010681	Emerald Coast Util Auth, FL Ref Rev 2004	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	04010680
04010687	High Point (City of), NC Comb Enterprise Rev 04	High Point (City of), NC Comb Enterprise Rev	Segregated DSRF Policy	04010686
04010692	Indiana Bond Bank, IN Spec Prgm 04D	Indiana Bond Bank, IN Spec Prgm	Segregated DSRF Policy	04010691
04010742	Mooreville (Town of), NC Enterprise Sys Rev 04	Mooreville (Town of), NC ENtrprs Sys Rev	Segregated DSRF Policy	04010741
04010757	Camden (City of), SC Combined Util Rev Ref 04	Camden (City of), SC Combined Util Rev	Segregated DSRF Policy	04010756
04010769	Portland (Interstate Corridor), OR TIF Rev 04A	Portland (Interstate Corridor), OR TIF Rev	Segregated DSRF Policy	04010768
04010803	St Louis Muni Fin Corp (Forest Park), MO Lse 04	St. Louis (City of), MO GO Lease	Segregated DSRF Policy	04010802
05010002	Chelan Hydro Cons System (PUD #1), WA Rev 05A	Chelan County PUD #1, WA	Segregated DSRF Policy	05010001
05010004	Chelan Hydro Cons System (PUD #1), WA Rev 05B	Chelan County PUD #1, WA	Segregated DSRF Policy	05010003
05010011	Mississippi Dev Bank (MDOT), MS Rev 05	Mississippi Dev Bank (MDOT), MS Rev	Segregated DSRF Policy	05010010
05010015	Lodi USD (Aspire Project), CA COPS 05AB	Lodi USD, CA COPS	Segregated DSRF Policy	05010014
05010034	San Ysidro SD, CA COPS 05	San Ysidro School District, CA COPS	Segregated DSRF Policy	05010032
05010055	Santee Public Financing Auth, CA Lse Rev 05	Santee Public Financing Auth, CA Lse Rev	Segregated DSRF Policy	05010054
05010070	Chesterfield (City of), MO Rev COPS 05	Chesterfield, MO GO	Segregated DSRF Policy	05010069
05010095	Pittsburgh Pub Parking Auth, PA Rev 05	Pittsburgh, PA Parking Auth	Segregated DSRF Policy	05010093
05010099	Elsinore Valley MWD, CA W&S COPS 05	Elsinore Valley, CA WS	Segregated DSRF Policy	05010098
05010104	North Bergen Twp BOE, NJ Lease Rev dtd 12/15/04	North Bergen Twp BOE, NJ Lease Rev	Segregated DSRF Policy	05010103
05010112	Centennial Water & Sani Dist, CO Ref 05	Centennial Water Sani Dist, CO	Segregated DSRF Policy	05010111
05010142	San Diego County, CA Wtr Auth Ref 05	San Diego County, CA Water Auth Rev	Segregated DSRF Policy	05010141
05010200	Southmost Union Jr College Dist, TX Rev Ref 05	Southmost Union Jr Coll Dist, TX	Segregated DSRF Policy	05010199
05010241	Salem (City of), OR W&S Ref 05	Salem (City of), OR WS	Segregated DSRF Policy	05010240

Exhibit A-2 to Reinsurance Agreement - Ancillary Policies  
As of June 30, 2008

Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
05010248	Oklahoma City Pub Prop Auth (OCPPA), OK, Rev 05	Oklahoma City Pub Prop Auth (OCPPA), OK Rev	Segregated DSRF Policy	05010247
05010251	Washington St Univ Hsg & Dining, WA Rev Ref 05	Washington State University	Segregated DSRF Policy	05010250
05010263	Univ of North Carolina (Wilmington), NC Lse Rev 05	Univ of North Carolina (Wilmington), NC Lse Rev	Segregated DSRF Policy	05010262
05010276	Sacramento Suburban Water Dist, CA COP Taxable 05B	Sacramento Suburban Water Dist, CA COPs (ARS)	Segregated DSRF Policy	05010273
05010285	Capistrano UFSD (Ladera) CFD 98-2, CA MelloRoos 05	Capistrano UFSD (Ladera) CFD 98-2, CA MelloRoos	Segregated DSRF Policy	05010284
05010312	Wichita (City of), KS W&S Util Ref Rev 05A	Wichita (City of), KS WS	Segregated DSRF Policy	05010311
05010322	Del Mar Coll Distr, TX, Comb Fee Rev Ref, 2005	Del Mar College Dist TX Rev	Segregated DSRF Policy	05010321
05010327	Laguna Stonelake CFD No. 1, CA Mello Roos Rev 05	Laguna Stonelake CFD No. 1, CA Mello Roos Rev	Segregated DSRF Policy	05010326
05010338	Taylor County, FL Sales Tax Rev Ref 05	Taylor County, FL Sales Tax	Segregated DSRF Policy	05010337
05010371	Hillsborough County, FL Non Ad Valorem Ser 2005	Hillsborough County, Florida Non Ad Valorem	Segregated DSRF Policy	05010370
05010376	San Jose RDA, CA TABS Ref 05 B	San Jose (City of), CA TABs	Segregated DSRF Policy	05010375
05010378	San Jose RDA, CA TABS Ref 05A	San Jose (City of), CA TABs	Segregated DSRF Policy	05010377
05010448	Erie County Convention Center Auth, PA GO 05	Erie County, PA GO	Segregated DSRF Policy	05010447
05010455	Univ of Denver (CO ECFA), CO Rev Ref 05A	Univ of Denver (CO Educ Cul Fac Auth), CO Rev	Segregated DSRF Policy	05010454
05010458	Sacramento City Fin Auth (Solid Waste), CA Rev 05	Sacramento City Fin Auth, CA Lse	Segregated DSRF Policy	05010457
05010459	Sacramento City Fin Auth (Solid Waste), CA Rev 05	Sacramento City Fin Auth, CA Lse	Segregated DSRF Policy	05010457
05010508	Douglas Co. PUD No 1 (Wells), WA Elec Ref 05ABC	Douglas Co. PUD No. 1, WA Util Rev	Segregated DSRF Policy	05010507
05010534	MARTA, GA Sales Tax Rev Ref 05A (Third Indenture)	Metro Atlanta RTA, GA Sales Tax (MARTA)	Segregated DSRF Policy	05010532
05010544	Sacramento Cnty San Dist, CA Rev Ref 05	Sacramento Regional CSD, CA	Segregated DSRF Policy	05010543
05010548	Wichita (City of), KS W&S Util Ref Rev 05B	Wichita (City of), KS WS	Segregated DSRF Policy	05010547
05010603	Idaho St Bldg Auth (Eastrn Idaho Tech), ID Rev 04A	Idaho St Build Auth Lease	Segregated DSRF Policy	05010602
05010621	Anchorage, AK Airport Car Rental Fac Rev 2005	Anchorage, AK Airport Car Rental Fac Rev	Segregated DSRF Policy	05010620
05010638	Santa Monica (City of), CA WWater Rev 2005A	Santa Monica (City of), CA Wastewater	Segregated DSRF Policy	05010637
05010663	Palm Bay (City of), FL Util Rev Ref 05A	Palm Bay, Florida WS	Segregated DSRF Policy	05010662
05010665	Palm Bay (City of), FL Util Rev Ref 05B	Palm Bay, Florida WS	Segregated DSRF Policy	05010664
05010667	San Rafael ESD, CA COPS 05	San Rafael ESD, CA GO	Segregated DSRF Policy	05010666
05010676	Washington TWP MUA, NJ GO Ref 2005	Washington TWP MUA, NJ GO	Segregated DSRF Policy	05010675
05010678	Los Angeles Co Sani Dist #14, CA Rev 05B	Los Angeles Co Sani Dist #14, CA Rev	Segregated DSRF Policy	05010677
05010682	Reno (City of) Cap Improvement, NV Rev Ref 05	Reno, NV Hotel Sales Tax	Segregated DSRF Policy	05010681
05010694	Mississippi Dev Bank (MDOT), MS Spcl Ob Rev 05	Mississippi Dev Bank (MDOT), MS Rev	Segregated DSRF Policy	05010693
05010753	Redding, CA Electric Rev 05	Redding, CA (Electric) Capital Services Corp	Segregated DSRF Policy	05010752
05010761	Brevard County, FL Gas Tax Rev 2005	Brevard County, FL Gas Tax	Segregated DSRF Policy	05010760
05010764	Sacramento Fin Auth (Downtown & Oak), CA TAB 05AB	Sacramento Fin Auth (Merged Downtown), CA TAB	Segregated DSRF Policy	05010763
05010774	Univ of Denver (CO Educ & Cul Fac Auth), CO Rev 05	Univ of Denver (CO Educ Cul Fac Auth), CO Rev	Segregated DSRF Policy	05010773
05010781	Ca Infr & Ec Dev Bnk Sch Apportion LS (Vallejo USD)	Ca Infr Ec Dev Bnk Sch Apportion LS (Vallejo USD)	Segregated DSRF Policy	05010780
05010783	Ca Infr & Ec Dev Bnk Sch Apportion LS (WCCUSD)	Ca Infr Ec Dev Bnk Sch Apportion LS (WCCUSD)	Segregated DSRF Policy	05010782
05010801	Grand Rapids (City of), MI Wtr Sys Rev 2005	Grand Rapids, MI Wtr System Rev	Segregated DSRF Policy	05010787
05010812	Banning (City of) Util Auth, CA Wtr Rev Ref 05	Banning (City of) Util Auth, CA Wtr Rev	Segregated DSRF Policy	05010811

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Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
06010034	Oklahoma St Univ, OK Util System Rev Ref 06	Oklahoma State Univ Util Revs	Segregated DSRF Policy	06010033
06010091	Sacramento City Fin Auth (Oak Park), CA TAB 06A	Sacramento Fin Auth (Oak Park PA) CA, TAB	Segregated DSRF Policy	06010090
06010092	Sacramento City Fin Auth (Del Paso), CA TAB 06B	Sacramento Cty Fin Auth (Del Paso Heights) CA TAB	Segregated DSRF Policy	06010153
06010115	Univ of Arkansas (UAMS), AR Rev 06	University of Arkansas System AK (bond issues only)	Segregated DSRF Policy	06010114
06010118	Indianapolis Local Pub Imp Bank, IN Mor Obl 06D	Indianapolis Local Pub Imp Bank, IN Mor Obl	Segregated DSRF Policy	06010117
06010155	Chula Vista Elementary SD, CA COP 06	Chula Vista Elem SD, CA GO	Segregated DSRF Policy	06010149
06010162	Kansas City Muni Asst Co (Bartle Hall), MO Lse 06A	Kansas City, MO GO Lease	Segregated DSRF Policy	06010160
06010163	Kansas City Muni Asst Corp (Kemper), MO Lse 06B	Kansas City, MO GO Lease	Segregated DSRF Policy	06010161
06010170	Santa Monica (City of), CA TAB Ref 06AB	Santa Monica (City), CA Tax Allocation	Segregated DSRF Policy	06010169
06010211	Univ of North Carolina (Wilmington), NC Lse Rev 06	Univ of North Carolina (Wilmington), NC Lse Rev	Segregated DSRF Policy	06010210
06010219	Aerospace Corp Series 2006	Aerospace Corp Revenue	Segregated DSRF Policy	06010145
06010224	Fashion Inst of Tech (SUNY), NY Rev 2004 Surety II	Fashion Inst of Tech (SUNY), NY Rev	Segregated DSRF Policy	04010325
06010236	Coronado CDA, CA TABs Ref 06	Coronado Comm Dev Agency, CA TABs	Segregated DSRF Policy	06010235
06010264	Fresno JPFA (Convention Cntr), CA Lse Rev 06	Fresno Jt. Powers Fin. Auth, CA Lease	Segregated DSRF Policy	06010263
06010284	Emerald Coast Util Auth, FL Rev 2006	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	06010283
06010331	San Jose USD, CA COPs Ref 06	San Jose USD, CA COPs	Segregated DSRF Policy	06010327
06010335	Yankee Ballpark LLC (NYC IDA), 2006	Yankee Ballpark LLC (NYC IDA)	Segregated DSRF Policy	06010333
06010338	Alaska Railroad Corp, AK FTA (5307 & 5309) 2006	Alaska Railroad Corp, AK FTA 53075309	Segregated DSRF Policy	06010337
06010340	Marysville Joint USD, CA COPs 06	Marysville Joint USD, CA COPs	Segregated DSRF Policy	06010339
06010350	Signal Hill RDA, CA Proj No.1 TABs 06A	Signal Hill RDA, CA TAB	Segregated DSRF Policy	06010349
06010352	Fort Smith (City of), AR Sales Tax Ref 2006	Fort Smith (City of), AR Sales Tax Rev	Segregated DSRF Policy	06010351
06010371	Hallsdale-Powell UD, TN WWks & Swr Rev 2006	Hallsdale-Powell UD, TN WWwks Swr Rev	Segregated DSRF Policy	06010370
06010384	West Valley City MBA, UT Lease Rev Ref 06AB	West Valley City, UT Lease	Segregated DSRF Policy	06010383
06010385	West Valley City MBA, UT Lease Rev Ref 06AB	West Valley City, UT Lease	Segregated DSRF Policy	06010383
06010391	Mississippi Dev Bank (MDOT), MS Spcl Obl Rev 06	Mississippi Dev Bank (MDOT), MS Rev	Segregated DSRF Policy	06010390
06010399	Eastern Washington Univ, WA Srvs & Acts Rev Ref 06	Eastern Washington Univ, WA Rev	Segregated DSRF Policy	06010398
06010405	Yuba City USD, CA COP 06	Yuba City USD, CA COP	Segregated DSRF Policy	06010404
06010420	Lafayette (City of), IN Sewage Wrks Rev Ref 2006	Lafayette (City of), IN WS Rev	Segregated DSRF Policy	06010419
06010440	Metropolitan Wastewtr Mgmt Comm, OR Wstwtr Rev 06	Metropolitan Wastewtr Mgmt Comm, OR Wstwtr Rev	Common DSRF Policy	06010439
06010454	Chicago (City of), IL 2nd Lien Swr Rev Ref 06AB	Chicago Wastewater Trans Sr	Segregated DSRF Policy	06010453
06010461	South Ogden City, UT Sales Tax Rev Ref 06	South Ogden City, UT Sales Tax Rev	Segregated DSRF Policy	06010460
06010463	Metro Washington Airport Auth, DC Arpt Rev 02B	Metro Wash, DC Airports Rev	Segregated DSRF Policy	02010711
06010474	Grays Harbor County PUD#1, WA Elec Rev Ref 06	Grays Harbor County PUD#1, WA Elec	Common DSRF Policy	06010473
06010475	Ramapo College (NJEFA)Lse Rev Bds 02H,I,J (Surety)	Ramapo College (NJEFA) Lease Rev	Segregated DSRF Policy	02011310
06010476	Ramapo College (NJEFA), NJ Rev 2003H (surety)	Ramapo College (NJEFA) Lease Rev	Segregated DSRF Policy	04010047
06010478	Ramapo College (NJEFA)Lse Rev Bds 02H,I,J (Surety)	Ramapo College (NJEFA) Lease Rev	Segregated DSRF Policy	02011310
06010479	Ramapo College (NJEFA)Lse Rev Bds 02H,I,J (Surety)	Ramapo College (NJEFA) Lease Rev	Segregated DSRF Policy	02011310
06010481	Emerald Coast Util Auth, FL Rev Ref 2006B	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	06010480

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Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
06010483	West Palm Beach (City of) CRA, FL Tax Incr Rev 06A	West Palm Beach CRA (City Center), FL Tax Incr	Common DSRF Policy	06010482
06010490	Los Angeles (City) MICLA, CA Lease 06-A	Los Angeles (City), CA Lease	Common DSRF Policy	06010489
06010492	Castle Rock (Town of), CO W&S Rev 2006	Castle Rock (Town of), CO - WS Rev	Common DSRF Policy	06010485
06010496	New Hampshire Muni Bond Bank, NH Rev 06B	New Hampshire Muni Bond Bank, NH	Common DSRF Policy	06010494
06010502	Norman Utilities Auth, OK W&S Util Rev 2006	Norman Utility, OK WS Rev	Common DSRF Policy	06010501
06010505	Arizona BOR (NAU), AZ Surety 97	Arizona BD OF Regents (N AZ U)	Common DSRF Policy	06010504
07010003	Florida State DOE, FL CC Cap Improv Rev 2006A	Florida State DOE Community College Fee	Common DSRF Policy	07010002
07010011	Univ of Denver (CO Educ Cul Fac Auth), CO Rev 07	Univ of Denver (CO Educ Cul Fac Auth), CO Rev	Segregated DSRF Policy	07010010
07010038	San Antonio (City), TX Sr. Lien Wtr Rev Ref 2007	San Antonio (City), TX WS	Segregated DSRF Policy	07010037
07010040	Escondido JPFA, CA Lease Rev Ref 07AB	Escondido JPFA, CA Lease Rev	Segregated DSRF Policy	07010039
07010064	Sacramento Reg Cnty San District, CA Rev Ref 07AB	Sacramento Regional CSD, CA	Segregated DSRF Policy	07010063
07010070	Guadalupe Valley Electric Coop, Inc., TX Rev 2007	Guadalupe Valley Electric Cooperative Inc.	Segregated DSRF Policy	07010068
07010073	Clark County PUD No. 1, WA Elec Rev Ref 07	Clark County PUD No 1, WA Electric Rev	Common DSRF Policy	07010072
07010075	Clark County PUD No. 1, WA Generating Sys Rev 07	Clark County PUD No 1, WA Electric Rev	Common DSRF Policy	07010074
07010090	Antelope Valley-East Kern Wtr Agncy, CA COPs 07A1&2	Antelope Valley-East Kern Wtr Agncy, CA COPs	Segregated DSRF Policy	07010088
07010091	MARTA, GA Sales Tax Rev Ref 07A (Third Indenture)	Metro Atlanta RTA, GA Sales Tax (MARTA)	Segregated DSRF Policy	07010089
07010103	Bryan (City of), TX W&S Rev Ref & Impr 07	Bryan (City of), TX Rev WS	Common DSRF Policy	07010102
07010128	Kankakee River Metro Ag, IL Sr Lien Ref Rev 07	Kankakee River Metro Agency, IL	Common DSRF Policy	07010125
07010134	Fontana RDA (Sierra Corridor), CA TAB Rev 07	Fontana RDA (Sierra Corridor), CA TABs	Common DSRF Policy	07010133
07010138	Los Alamitos USD, CA COPs Ref 07	Los Alamitos USD, CA COPs	Segregated DSRF Policy	07010137
07010140	Rohnert Park Comnty Dev Comm, CA TAB Hsg 07H	Rohnert Park Comnty Dev Comm, CA TABs	Common DSRF Policy	07010139
07010142	Rohnert Park Comnty Dev Comm, CA TABs 07R	Rohnert Park Comnty Dev Comm, CA TABs	Common DSRF Policy	07010141
07010155	Buckeye Union SD, CA COPs 07	Buckeye Union SD, CA COPs	Segregated DSRF Policy	07010154
07010166	Lynwood USD, CA COPs Rev 07A	Lynwood USD, CA COPs	Segregated DSRF Policy	07010165
07010169	Lynwood USD, CA COPs Ref 07B	Lynwood USD, CA COPs	Segregated DSRF Policy	07010168
07010186	Manteca USD, CA CFD 1989-2 2007E	Manteca USD, CA CFD 1989-2 Mello Roos	Segregated DSRF Policy	07010185
07010196	Buffalo Fiscal Stability Auth, NY Sales Tax 2007A	Buffalo Fiscal Stability Auth, NY Rev Sales Tax	Common DSRF Policy	07010195
07010217	East Bay MUD, CA Sub Water Rev Ref 07 AB	East Bay MUD, CA Water System	Segregated DSRF Policy	07010214
07010220	East Bay MUD, CA Sub Water Rev Ref 07 AB	East Bay MUD, CA Water System	Segregated DSRF Policy	07010214
07010225	Anaheim Pub Fin Auth, CA Sr Lse Rev Ref 07A-1&A-2	Anaheim, CA Pub Imp Lease	Segregated DSRF Policy	07010224
07010228	Anaheim PFA, CA Sr Lse Rev Ref 07B (Taxable)	Anaheim, CA Pub Imp Lease	Segregated DSRF Policy	07010226
07010237	Fashion Inst of Tech (SUNY), NY Rev 2007	Fashion Inst of Tech (SUNY), NY Rev	Segregated DSRF Policy	07010236
07010252	Mesa State College, CO College Enterprise Rev 07	Mesa State College, CO Aux Rev	Segregated DSRF Policy	07010251
07010266	Brevard County, FL Local Option Gas Tax Rev 2007	Brevard County, FL Gas Tax	Common DSRF Policy	07010265
07010268	Louisiana PFA (19th Judicial Distr), LA Lease 07	Louisiana PFA (19th Judicial Distr), LA Lease	Segregated DSRF Policy	07010267
07010270	Sacramento Area Flood Control Agcy, CA Cons Cap 07	Sacramento Area Flood Control Agcy, CA Cons Cap	Common DSRF Policy	07010269
07010275	Ramona USD, CA COPs Ref 2007	Ramona USD, CA COPs	Segregated DSRF Policy	07010271
07010290	Univ of North Florida (Union), FL Ltd Rev 07	Univ of North Florida, FL Rev	Segregated DSRF Policy	07010289

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Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
07010293	Univ of North Florida (Housing), FL Aux Rev 07	Univ of North Florida, FL Auxiliary Rev	Segregated DSRF Policy	07010292
07010299	Mass Port Auth (BOSFUEL Proj), MA Rev 2007	Massachusetts Port Auth BOSFUEL Rev	Segregated DSRF Policy	07010298
07010301	Allegheny Co Sanitary Auth, PA Swr Rev 07	Allegheny Co Sani Auth, PA Sewer Rev	Segregated DSRF Policy	07010300
07010336	Houston (City of), TX Airport Rev Ref 07B	Houston (City of), TX Airport System	Common DSRF Policy	07010335
07010340	MICLA (Figueroa), CA Lse 07B-1/B-2 (Txble)	Los Angeles (City), CA Lease	Segregated DSRF Policy	07010339
07010342	Los Angeles (City) MICLA (Cap Equip), CA Lease 07A	Los Angeles (City), CA Lease	Segregated DSRF Policy	07010341
07010349	Hayward (City of), CA Sew Sys.Rev COPs Ref 2007	Hayward (City of), CA Sew Sys.Rev COPs	Segregated DSRF Policy	07010348
07010358	Calleguas-Las Virgenes PFA,CA Rev Ref 07AB	Calleguas-Las Virgenes PFA, CA	Segregated DSRF Policy	07010357
07010376	Calleguas-Las Virgenes PFA,CA Rev Ref 07AB	Calleguas-Las Virgenes PFA, CA	Segregated DSRF Policy	07010357
07010382	Alaska Railroad Corp, AK FTA (5307 & 5309) 2007	Alaska Railroad Corp, AK FTA 53075309	Segregated DSRF Policy	07010381
07010395	Melbourne (City of), FL W&S Rev Ref 2007B	Melbourne (City of), FL WS	Common DSRF Policy	07010394
07010397	Florida Keys Aqueduct Auth, FL Wtr Rev 2007	Florida Keys Aqueduct Authority, FL Wtr Rev	Segregated DSRF Policy	07010396
07010418	San Mateo (City of), CA Lease Rev Ref 07B	San Mateo (City of), CA Lease Rev	Segregated DSRF Policy	07010417
07010426	St. Peters (City of), MO Water & Sewer Rev 2007	St. Peters (City), MO WS	Segregated DSRF Policy	07010424
07010429	Miramar (City of), FL Util Sys Rev 2007	Miramar (City of), FL Util Sys Rev (WS)	Common DSRF Policy	07010428
07010443	Calaveras County, CA COPs 07	Calaveras County, CA COPs	Common DSRF Policy	07010442
07010448	Fort Smith (City of), AR Wtr & Swr Rev 2007	Fort Smith (City of), AR Wtr Swr	Common DSRF Policy	07010447
07010460	Sonoma (County of), CA (Measure F) Sales Tax 07AB	Sonoma (County of), CA Sales Tax	Segregated DSRF Policy	07010458
07010461	Sonoma (County of), CA (Measure F) Sales Tax 07AB	Sonoma (County of), CA Sales Tax	Segregated DSRF Policy	07010459
07010486	Escondido UHSD, CA COPs 07	Escondido UHSD, CA COPs 07	Segregated DSRF Policy	07010485
07010488	Fort Lewis College BOT, CO Aux Rev 07A,B1,B2,C,D	Fort Lewis College, CO Aux Rev	Segregated DSRF Policy	07010487
87990003	CHICAGO SCHOOL FINANCE AUTHORI	Chicago School Fin Auth, IL GO	Common DSRF Policy	93010338
90010289	SAN FRANCISCO REDEV PROJ, TAB	San Francisco Redevelopment Fin Auth, TABs	Segregated DSRF Policy	90010285
91010122	Chandler, AZ Wtr/Swr Ref, 91	Chandler (City of), AZ WS	Common DSRF Policy	05010403
91010312	PIMA CNTY, AZ SEWER REV SER 91	Pima County, AZ Sewer	Common DSRF Policy	NA
91010438	GRAND RAPIDS, MI WTR SYS 1991	Grand Rapids, MI Wtr Systm Rev	Common DSRF Policy	05010787
91010467	REGIONAL TRAN AUTH,IL SL TX91A	Regional Transportation Auth, IL Sales Tax	Segregated DSRF Policy	91010455
91010505	ROCK HILL, SC UTIL SYS REV 91	ROCK HILL, SC UTIL SYS	Common DSRF Policy	NA
92010210	Montgomery Co, MD Bethesda 92A	Montgomery Cnty, MD (Bethesda Parking System)	Common DSRF Policy	02010648
92010211	Montgomery Co. MD (Silver) 92	Montgomery Co, MD (Silver)	Common DSRF Policy	02010649
92010216	Helena, MT Wtr Sys 92 B&C	Helena Water System, MT	Common DSRF Policy	NA
92010223	ST. LUCIE, FL W&S 1990 Surety	ST. LUCIE, FL W&S REV	Common DSRF Policy	NA
92010354	Hesperia, CA Wtr Dist 92A	Hesperia, CA Wtr Dist 92A	Segregated DSRF Policy	92010348
92010357	Gilbert, Az Water&Sewer 92	Gilbert (Town of), AZ WS	Common DSRF Policy	NA
92010360	Hesperia, CA Wtr Dist 92A	Hesperia, CA Wtr Dist 92A	Segregated DSRF Policy	92010348
92010468	Farmington, NM Util Rev 92	Farmington, NM Util	Common DSRF Policy	92010467
92010490	Pasco Co. FI Wtr&Swr Ref 92	Pasco Co. FI Wtr&Swr Rev	Common DSRF Policy	NA
92010608	Escambia Util Auth Ref 92B	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	92010607

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Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
92010664	Panama City, FL Excise Tax S92	Panama City (City of), FL Non-Adv Pub Serv Tax	Common DSRF Policy	92010663
92010715	Chandler, AZ Wtr&Sw Ref 92	Chandler (City of), AZ WS	Common DSRF Policy	05010403
93010078	San Diego Co., Calif. Wtr 92 A	San Diego County, CA Water Auth Rev	Segregated DSRF Policy	93010077
93010116	JACKSONVILLE, FL EXC TAX 93	Jacksonville (City), FL Excise Tax	Segregated DSRF Policy	93010115
93010208	Chicago, IL Wstewtr Ref 92	Chicago Wastewater Trans Sr	Segregated DSRF Policy	93010207
93010297	PALM BEACH CNTY,FL ADMIN REV93	Palm Beach Cnty, FL Non-Ad Vlm	Segregated DSRF Policy	93010296
93010360	Eastern Municipal Wtr 93-B	Eastern Muni Water Dist, CA WS Rev	Segregated DSRF Policy	93010356
93010732	Dunedin, Fl Wtr/Swr Ref. 93	Dunedin (City of), FL W & S	Segregated DSRF Policy	93010731
93010765	Chicago, Il Water Rev Ref 93	Chicago (City), IL Water Rev	Common DSRF Policy	93010764
93010812	Pittsburgh, PA Wtr & Swr 93 AB	Pittsburgh, PA Water Sewer	Segregated DSRF Policy	93010811
93010866	Washington, D.C., Transit Auth	Washington Metro Trans Auth,DC	Segregated DSRF Policy	93010865
94010026	OSCEOLA CNTY,FL SLS TAX 93REF	OSCEOLA CNTY, FL SALES TAX	Segregated DSRF Policy	94010025
94010078	Mishawaka (City), IN Swr 94A/B	Mishawaka (City), IN REV	Segregated DSRF Policy	94010075
94010560	Tacoma, Washington Sewer 94	Tacoma (City), WA Sewer Rev	Segregated DSRF Policy	94010518
94010600	Regional Trans Auth,IL STX94CD	Regional Transportation Auth, IL Sales Tax	Segregated DSRF Policy	94010591
95010363	Stafford Muni Util Auth, NJ 94	Stafford Muni Util Auth, NJ	Segregated DSRF Policy	94010157
95010380	Miami, Fl Non-Ad Vlm Tax 1995	Miami, Florida Non-Ad Vlm Tax	Segregated DSRF Policy	95010379
96010046	Riverside Cnty TC, CA Sls Tx95	Riverside County TC, CA Sls Tx	Segregated DSRF Policy	96010045
96010100	Lake Mary, Fl. Pub Imp Rev 96	Lake Mary, Fl. Pub Imp Rev.	Segregated DSRF Policy	96010099
96010115	Sarasota Co., Fl W & S Ser 96A	Sarasota County, FL Utility (WS)	Segregated DSRF Policy	96010114
96010188	Port of Seattle WA Rev 1996B	Port of Seattle, WA Airport Rev	Segregated DSRF Policy	96010187
96010212	Baltimore, MD Parking Sys 96A	Baltimore, MD Parking Sys Fac	Segregated DSRF Policy	96010211
96010570	BRIGHTON, COLORADO Sls 96RefB	BRIGHTON, COLORADO SALES TAX	Segregated DSRF Policy	96010569
97010006	JACKSONVILLE, FL SLS TX 96	Jacksonville, FL Sales Tax	Segregated DSRF Policy	97010005
97010038	ST. PETERSBURG,FL EXCISE DSRF	ST. PETERSBURG, FL EXCISE TAX	Segregated DSRF Policy	93010791
97010132	Everett, WA Water&Sewer 1997	Everett (City of), WA WS Rev	Segregated DSRF Policy	97010131
97010462	Stafford Muni Util Auth, NJ 97	Stafford Muni Util Auth, NJ	Segregated DSRF Policy	97010438
97010574	Regional Trans Auth,IL STAX 97	Regional Transportation Auth, IL Sales Tax	Segregated DSRF Policy	97010573
97010641	Prescott Valley Twn, AZ Exc Tx	Prescott Valley Twn, AZ Exc Tx	Segregated DSRF Policy	97010611
98010026	Metro Nashville Arpt,TN 97	Metropolitan Nashville Arpt,TN	Segregated DSRF Policy	98010023
98010027	Metro Nashville Arpt,TN 97	Metropolitan Nashville Arpt,TN	Segregated DSRF Policy	98010023
98010111	Escambia Co. FL Ut Auth 1998D	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	98010108
98010126	Escambia Co., FL Utl 1998 ABC	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	98010124
98010199	Edgefield Co. W&S Auth., SC 98	Edgefield Co. W&S Auth., SC	Segregated DSRF Policy	98010198
98010218	FORT PIERCE, FLORIDA NON-AD 98	Fort Pierce (City of), FL	Segregated DSRF Policy	98010219
98010242	Baltimore, MD Prkng Sys 1998A	Baltimore, MD Parking Sys Fac	Segregated DSRF Policy	98010241
98010317	Louisville & Jeff Co Sewer 98A	Louisville-Jefferson Co Metro Swr, KY Sewer Rev	Segregated DSRF Policy	98010316
98010327	Metro Nashville Arpt,TN 98	Metropolitan Nashville Arpt,TN	Segregated DSRF Policy	98010326

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Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
98010345	Palmdale, CA Water District 98	Palmdale Water District, CA	Segregated DSRF Policy	98010344
98010475	Stafford Muni Util Auth, NJ 98	Stafford Muni Util Auth, NJ	Segregated DSRF Policy	98010474
98010510	ST. JOHNS CO., FL SALES TAX 98	St. Johns County, FL Sales Tax	Segregated DSRF Policy	98010509
98010512	ST. JOHNS CO, FL W&S 1998	ST. JOHNS CO. FL WandS	Segregated DSRF Policy	98010511
98010516	Oklahoma Tkpe Authority, 98A&B	Oklahoma Turnpike Auth Rev	Segregated DSRF Policy	98010515
98010559	Lancaster Cnty Wtr&Swr Dist,SC	Lancaster County Water and Sewer District, SC	Segregated DSRF Policy	94010088
98010701	Warren Co, OH Wtrwks Rev 1998	Warren Co, OH Wtrwks District	Segregated DSRF Policy	98010700
98010822	Peoria, AZ Wtr & Sew 98 A&B	Peoria (City of), Arizona WIFA	Segregated DSRF Policy	98010819
98010823	Peoria, AZ Wtr & Sew 98 A&B	Peoria (City of), Arizona WIFA	Segregated DSRF Policy	98010819
98010834	Wichita, Kansas Wtr & Swr 98	Wichita (City of), KS WS	Segregated DSRF Policy	98010832
98010884	Washington TWP MUA, NJ GO 98AB	Washington TWP MUA, NJ GO	Segregated DSRF Policy	98010883
98010885	Washington TWP MUA, NJ GO 98AB	Washington TWP MUA, NJ GO	Segregated DSRF Policy	98010883
98011007	Folsom Water Rev, CA Series 98	Folsom (City of) Public Fin Auth, CA Water Rev	Segregated DSRF Policy	98011006
98011144	Corona Pub Fin Auth,CAWtrRev98	Corona Public Fin Auth, CA Wtr	Segregated DSRF Policy	98011143
99010050	Kitsap Co., WA Sewer Rev 99	Kitsap Cnty, WA Swr Rev	Segregated DSRF Policy	99010049
99010297	South Island Pub Svc Di, SC 99	South Island Pub Svc Dist, SC	Segregated DSRF Policy	99010296
99010359	Metro Washington DC Arpt 99Rfg	Metro Wash, DC Airports Rev	Segregated DSRF Policy	99010358
99010394	San Francisco Park. Auth 99-1	San Francisco Parking Auth	Segregated DSRF Policy	99010393
99010461	Colorado Springs, CO Sls Tx 99	Colorado Springs, CO. Sales Tx	Segregated DSRF Policy	99020113
99010489	Wichita, KS Wtr & Sew Rev 99	Wichita (City of), KS WS	Segregated DSRF Policy	99010488
99010568	Jackson, MS Water & Sewer 99	Jackson, MS Water & Sewer	Segregated DSRF Policy	99010567
99010603	St. Peters, MO Wtr&Swr 1999	St. Peters (City), MO WS	Segregated DSRF Policy	99010602
99010642	Martinez, CA Water COPs Ser 99	Martinez, CA Water COPs	Segregated DSRF Policy	99010641
99010672	Escambia Co., FL Util Auth 99	Emerald Coast Util Auth, FL (was Escambia Co UA)	Segregated DSRF Policy	99010671
99010816	Beaufort-Jasp Co W&S Rev 99	Beaufort-Jasp Co WS Auth, Rev	Segregated DSRF Policy	99010815
99010862	Austin Car Rental Tax, TX 99	Austin Car Rental Tax, TX	Segregated DSRF Policy	99010861
02011046	Allegheny Cnty Airport Rev 02	Pittsburgh, PA Airport Rev	Swap Surety	02011045
04010329	Los Angeles County Museum Art (CDA), CA Rev 04B	Los Angeles County Museum Art (CDA), CA Rev	Swap Surety	04010338
04010429	Massachusetts Commonwealth, MA Hotel Tax Rev 04	Massachusetts Commonwealth, MA Hotel Tax Rev	Segregated DSRF Policy	04010359
04010430	Massachusetts Commonwealth, MA Hotel Tax Rev 04	Massachusetts Commonwealth, MA Hotel Tax Rev	Segregated DSRF Policy	04010359
04010431	Massachusetts Commonwealth, MA Hotel Tax Rev 04	Massachusetts Commonwealth, MA Hotel Tax Rev	Segregated DSRF Policy	04010359
04010512	Florida Muni Power Agy, FL Rev 04	Florida Muni Power Agy, FL Rev	Swap Surety	04010509
04010513	Florida Muni Power Agy, FL Rev 04	Florida Muni Power Agy, FL Rev	Swap Surety	04010509
04010685	Los Angeles County Museum Art (CDA), CA Rev 04C	Los Angeles County Museum Art (CDA), CA Rev	Swap Surety	04010684
04010713	Southeast Georgia Health Systems, GA Hosp Rev 04	Southeast Georgia Health Systems, GA	Swap Surety	04010683
05010254	West Palm Beach, FL W&S Util Sys Rev Ref 05	West Palm Beach, FL WS	Swap Surety	05010242
05010255	West Palm Beach, FL W&S Util Sys Rev Ref 05	West Palm Beach, FL WS	Swap Surety	05010242
05010357	Banner Health System, AZ Hosp Rev 05	Banner Health, AZ	Swap Surety	05010229



Exhibit A-2 to Reinsurance Agreement - Ancillary Policies  
As of June 30, 2008

Policy Id	Policy	Revenue Stream Name	Policy Type	Primary Policy ID
05010477	Massachusetts Commonwealth, MA Spec Obs Rev Ref 05	Massachusetts Commonwealth, MA Hotel Tax Rev	Segregated DSRF Policy	05010476
05010804	North Texas Tollway Auth, TX RevRfdg05	North Texas Tollway Auth, TX Dallas North Syst Rev	Swap Surety	05010803
05010815	North Texas Tollway Auth, TX RevRfdg05	North Texas Tollway Auth, TX Dallas North Syst Rev	Swap Surety	05010803
05010816	North Texas Tollway Auth, TX RevRfdg05	North Texas Tollway Auth, TX Dallas North Syst Rev	Swap Surety	05010803
06010084	Aurora (City of), CO COPS Ref 05 A-1 & A-2	Aurora (City of), CO GO and Lease	Swap Surety	06010073
06010233	Frederick Memorial Hospital, MD Rev/Ref Series 06	Frederick Memorial Hospital, MD	Swap Surety	06010228
06010313	San Francisco Ballet Association, CA Rev 06	San Francisco Ballet Association, CA Rev	Swap Surety	06010312
06010324	Cleveland (City of), OH Pub Pwr Sys Rev Ref 2006AB	Cleveland (City of), OH Pub Pwr Sys	Swap Surety	06010293
06010355	Goldman/NYC IDA Swap (Yankee Ballpark)	Yankee Ballpark LLC (NYC IDA)	Swap Surety	06010333
06010394	Virgin Islands Pub Fac Auth 2006A	Virgin Islands Pub Fac Auth Gross Receipts Tax	Swap Surety	06010386
07010162	Kean University (NJ EFA), NJ Rev Ref 2007E	Kean University, NJ	Swap Surety	07010156
07010211	Sacramento County Water Finance Auth, CA Rev 07	Sacramento Co Water Finance Auth, CA Rev	Swap Surety	07010198
07010231	Kentucky Asset/Liab Comm, KY Rev Ref 07AB	Kentucky Commonwealth Lease	Swap Surety	07010230
07010279	Pasco County School Board, FL Rev COPS 2007	Pasco County School Board, FL Rev	Swap Surety	07010272
07010456	Philadelphia, PAID Lease Rev Series 2007AB	Philadelphia, PA GO Lease	Swap Surety	07010430
07010457	Philadelphia, PAID Lease Rev Series 2007AB	Philadelphia, PA GO Lease	Swap Surety	07010430
07010471	Los Angeles Co Museum of Art (CSCDA) Series 07ABC	Los Angeles County Museum Art (CDA), CA Rev	Swap Surety	07010467
07010472	Los Angeles Co Museum of Art (CSCDA) Series 07ABC	Los Angeles County Museum Art (CDA), CA Rev	Swap Surety	07010467
07010473	Los Angeles Co Museum of Art (CSCDA) Series 07ABC	Los Angeles County Museum Art (CDA), CA Rev	Swap Surety	07010467
07110025	San Francisco Jewish Comm Cntr, CA Rev 07	San Francisco Jewish Comm Cntr, CA Rev	Swap Surety	07010015
02010480	Harrisburg, PA Water Auth.	Harrisburg, PA Water Auth Rev	Swap Surety	03010001
03010477	DASNY- CUNY 3rd, 4th, 5th Res 2002	Dormitory Auth of State of NY - CUNY Rev	Swap Surety	03010435
03010478	DASNY- CUNY 3rd, 4th, 5th Res 2002	Dormitory Auth of State of NY - CUNY Rev	Swap Surety	03010435
03010479	DASNY- CUNY 3rd, 4th, 5th Res 2002	Dormitory Auth of State of NY - CUNY Rev	Swap Surety	03010435
03010480	DASNY- CUNY 3rd, 4th, 5th Res 2002	Dormitory Auth of State of NY - CUNY Rev	Swap Surety	03010435
03010481	DASNY- CUNY 3rd, 4th, 5th Res 2002	Dormitory Auth of State of NY - CUNY Rev	Swap Surety	03010435
03010482	DASNY- CUNY 3rd, 4th, 5th Res 2002	Dormitory Auth of State of NY - CUNY Rev	Swap Surety	03010435
03010483	DASNY- CUNY 3rd, 4th, 5th Res 2002	Dormitory Auth of State of NY - CUNY Rev	Swap Surety	03010435
03010484	DASNY- CUNY 3rd, 4th, 5th Res 2002	Dormitory Auth of State of NY - CUNY Rev	Swap Surety	03010435

**Exhibit B  
to the Reinsurance Agreement**

**COVERED THIRD PARTY REINSURANCE**

<b>Current Reinsurer Name</b>	<b>Reinsurer on Contract</b>	<b>Contract</b>
<b>Assured Guaranty Corp.</b>	Capital Reinsurance Company	1988 Quota Share Treaty
	Capital Reinsurance Company	1989 Quota Share Treaty
	Capital Reinsurance Company	1990 Quota Share Treaty
	Capital Reinsurance Company	1991 Quota Share Treaty
	Capital Reinsurance Company	1992 Quota Share Treaty
	Capital Reinsurance Company	1993 Quota Share Treaty
	Capital Reinsurance Company	1994 Quota Share Treaty
	Capital Reinsurance Company	1995 Proportional Muni Treaty
	Capital Reinsurance Company	1996 Proportional Muni Treaty
	Capital Reinsurance Company	1997 Proportional Muni Treaty
	Capital Reinsurance Company	1998 Proportional Muni Treaty
	Capital Reinsurance Company	1999 Proportional Muni Treaty
	Ace Guaranty Re Inc.	2000 Proportional Muni Treaty
	Ace Guaranty Re Inc.	2001 Proportional Muni Treaty
	Ace Guaranty Re Inc.	2002 Proportional Muni Treaty
	F & G Reinsurance, Inc.	1984 Quota Share Treaty
	The United States Fidelity & Guaranty Company	1985 Quota Share Treaty
	<b>Assured Guaranty Re Overseas Ltd.</b>	Capital Mortgage Reinsurance Company Bermuda Ltd
Capital Mortgage Reinsurance Company Bermuda Ltd		1996 Proportional Muni Treaty
KRE Reinsurance Ltd.		1997 Proportional Muni Treaty
KRE Reinsurance Ltd.		1998 Proportional Muni Treaty

**Exhibit C-1  
to the Reinsurance Agreement  
SPECIFIED POLICIES**

See attachment.

**Exhibit C-2  
to the Reinsurance Agreement  
SPECIFIED THIRD PARTY REINSURANCE**

See attachment.

**Attachment to Exhibit C-2 to the Reinsurance Agreement**

1. Ram Reinsurance Company Ltd.

**Schedule 1  
to the Reinsurance Agreement**

**ILLUSTRATION OF APPLICATION OF THE PROPORTIONAL ADJUSTMENT  
REFERRED TO IN SECTION 8(A)(I)**

For a Covered Policy, where:

\$100 million = gross par in force for the Policy (shown under the column headed "Gross Par Inforce")

\$90 million = net par in force for the Policy (shown under the column headed "Net Par Inforce")

\$5 million = par subject to Commutation or Recapture (in this example \$5 million of reinsurance will remain in place, i.e., not be subject to Commutation)

\$7 million = gross statutory unearned premium reserve for the Policy (shown under the column headed " Projected Gross STAT UPR 9/30/08")

The adjustment to the Closing Date UPR referred to in Section 8(a)(i) for Commutation or Recapture of \$5 million with respect to such Covered Policy =

$$(\$5 \text{ million} / \$100 \text{ million}) \times \$7 \text{ million} = \$350,000$$