

Attachment G

CDS Commutation Agreement 1

SETTLEMENT AND COMMUTATION AGREEMENT

This Settlement and Commutation Agreement (this "Settlement Agreement") is entered into on this 7th day of July, 2011 among Financial Guaranty Insurance Company ("Financial Guaranty") and FGIC Credit Products LLC ("FGIC Credit" and collectively, with Financial Guaranty, "FGIC") and [REDACTED] (Financial Guaranty, FGIC Credit and [REDACTED] each referred to as a "Party" and, collectively, the "Parties").

WHEREAS, on [REDACTED], [REDACTED] commenced an action in the United States District Court for the [REDACTED], captioned [REDACTED] v. *Financial Guaranty Insurance Company and FGIC Credit Products LLC*, No. [REDACTED] [REDACTED] ([REDACTED], J.) (the "Action") concerning certain credit derivatives transactions between FGIC Credit and [REDACTED] and related insurance policies issued by Financial Guaranty;

WHEREAS, FGIC remains in negotiations with counterparties ("Counterparties") to certain other credit derivatives transactions of FGIC Credit in connection with potential commutation and other transactions that may be included in a potential Plan (defined below);

WHEREAS, the Parties wish to enter into this Settlement Agreement for the purpose of settling all claims that have been or could have been asserted in the Action given the substantial expense of litigating issues associated with the Action and the complexity and uncertainty involved;

NOW THEREFORE, in consideration of the mutual promises and other good and valuable consideration provided in this Settlement Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.**

1.1 “Applicable Approval” means (i) the NYSID shall have ordered or approved in writing the consummation of the transactions contemplated hereby, either by administrative order or otherwise, or (ii) in the event of a Proceeding, the New York State Supreme Court shall have ordered or approved in such Proceeding the consummation of the transactions contemplated hereby.

1.2 “Confirmations” shall refer collectively to the confirmations documenting the Transactions.

1.3 “Covered Action” shall mean, as to any Reference Obligation, any Voting Action with respect to (i) the timing, circumstances and/or terms of redemption of such Reference Obligation at maturity or otherwise, (ii) the timing and/or amount (or determination thereof) of any interest, principal or other amount payable in respect of such Reference Obligation, (iii) the application of any collections, any proceeds of any collateral or any other funds under any applicable Underlying Instrument to the payment of (x) any interest, principal or other amount payable in respect of such Reference Obligation or (y) any amount which is payable under any applicable Underlying Instrument at a priority higher than any interest or principal payable in respect of such Reference Obligation, (iv) increasing any amount which is payable under any applicable Underlying Instrument at a priority higher than any interest or principal payable in respect of such Reference Obligation, (v) any sale, liquidation or other disposition of any collateral relating to such Reference Obligation or otherwise with respect to any interest of the holders of such Reference Obligation in any such collateral or (vi) the appointment

or termination of any trustee, servicer, custodian or other person providing services to the issuer of, or otherwise with respect to, such Reference Obligation.

1.4 “FGIC Information” shall have the meaning set forth in paragraph 4.3 below.

1.5 “Master Agreement” shall refer to the ISDA Master Agreement (including the Schedule related thereto and the Confirmations, the “Master Agreement”) entered into between FGIC Credit and [REDACTED] dated [REDACTED] and as amended on [REDACTED].

1.6 “Notice of Termination” shall refer, in the context in which it is used, either to the Notice of Termination issued by FGIC Credit to [REDACTED] dated [REDACTED] or the Notice of Designation of Early Termination Date issued by [REDACTED] to Financial Guaranty and FGIC Credit dated [REDACTED] (both Notices collectively referred to as the “Notices of Termination”).

1.7 “NYLB” shall refer to the New York Liquidation Bureau or any of its successor agencies.

1.8 “NYSID” shall refer to the New York State Insurance Department or any of its successor agencies.

1.9 “Payment” shall refer to the payment of the aggregate amount of US\$50,000,000 pursuant to paragraph 3.1 below.

1.10 “Plan” shall refer to a plan of rehabilitation or liquidation for Financial Guaranty.

1.11 “Policies” shall refer to the Financial Guaranty Insurance Policies in favor of [REDACTED] in connection with the Transactions.

1.12 “Proceeding” shall refer to a judicial proceeding relating to Financial Guaranty under or pursuant to Article 74 of the New York Insurance Law.

1.13 “Reference Obligation” with respect to any Transaction shall refer to the Reference Obligation as defined in the applicable Confirmation.

1.14 “Settlement Effective Date” means (i) the date of the Applicable Approval by the NYSID, or in the event such Applicable Approval specifies a date for the ordered or approved consummation of the transactions contemplated hereby that is different from the date of such Applicable Approval, the date so specified, or (ii) in the event of a Proceeding, the date ordered or approved in such Proceeding by the New York State Supreme Court for the consummation of the transactions contemplated hereby.

1.15 “Settlement Termination Date” shall refer to the date, if any, when this Settlement Agreement terminates pursuant to paragraph 5.1 hereof.

1.16 “Superintendent” shall refer to the New York Superintendent of Insurance.

1.17 “Transaction Documents” shall refer collectively to the Master Agreement (including the related Schedule and Confirmations) and the Policies and all other agreements between the Parties relating to any of the Transactions.

1.18 “Transactions” shall refer to the [REDACTED] separate credit derivatives transactions between FGIC Credit and [REDACTED] entered into under the Master Agreement, which are further described in Annex A attached hereto.

1.19 “Underlying Instrument” with respect to any Reference Obligation shall refer to any of the Underlying Instruments, Reference Obligation Document(s), Transaction Documents, Indenture or Trust Deed (in each case as and to the extent such

term is defined in the applicable Confirmation) or any servicing agreement, purchase or sale agreement, trust agreement or other governing document relating to such Reference Obligation or to any credit default swap, CDO or other asset or liability of the issuer of such Reference Obligation.

1.20 “Voting Action” shall refer to (i) the exercise of any voting or other right, (ii) the issuance of any notice, waiver, request, demand or instruction or (iii) the taking of any other action, in each case under or with respect to any Reference Obligation (including without limitation the pursuit of any remedy or the granting of any consent or approval) by or on behalf of ■■■ or any other holder of such Reference Obligation, as applicable.

2. **Effective Date of Settlement.**

2.1 Financial Guaranty will include the transactions contemplated hereby in any potential Plan that it proposes to the NYSID or the NYLB. In the event that the NYSID or the NYLB notifies FGIC that any Plan submitted or to be submitted by the Superintendent in a Proceeding does not provide for the consummation of the transactions contemplated by this Settlement Agreement, Financial Guaranty will promptly inform ■■■ of such notification.

2.2 On the Settlement Effective Date, subject to FGIC having made the Payment but without need for any further action, (a) the Transactions and the Transaction Documents and the respective rights, obligations and liabilities of the Parties and of their respective affiliates, stockholders, directors, officers, employees, advisors and agents under the Transaction Documents or otherwise relating to the Transactions are hereby mutually terminated and discharged, and (b) except as set forth in the following

sentence, each Party hereby releases each other Party and its affiliates, stockholders, directors, officers, employees, advisors and agents from all claims and liabilities thereunder or otherwise in connection therewith, whether now existing or hereafter arising or known, and whether or not asserted in the Action. Nothing set forth herein shall (x) release any claims or causes of action arising from the Parties' express rights or obligations under this Settlement Agreement, or prevent any party from taking action to enforce this Settlement Agreement in accordance with its terms or (y) release any claims, causes of action or other rights that [REDACTED] or Financial Guaranty may have under any financial guaranty insurance policy issued by Financial Guaranty, other than the Policies.

2.3 Each Party hereto acknowledges and agrees that from and after the Settlement Effective Date notwithstanding anything to the contrary set forth in the Transaction Documents, no payments (including without limitation any Fixed Payment, Floating Payment, Cash Settlement Amount, Accrued Amount, Unpaid Amount or Makewhole Amount (in each case as defined in the applicable Confirmations), or amount payable in connection with any Avoidance Order, any payment under Section 6(e) of the Master Agreement, or any other fixed or floating amounts or other credit protection premium payments or credit protection payments, however so described) or other amounts or deliveries are or will thereafter be owed to it by any other Party hereto under the Transaction Documents or otherwise with respect to the Transactions.

2.4 Nothing herein shall be construed as (i) an admission by FGIC of the validity of the Notice of Termination issued by [REDACTED] or as an acknowledgement by FGIC of any defect in the Notice of Termination issued by FGIC Credit; (ii) an admission by [REDACTED] of the validity of the Notice of Termination issued by FGIC Credit or as an

acknowledgement by ■ of any defect in the Notice of Termination issued by ■ or (iii) an admission of any liability or wrongdoing, however described, on the part of any Party. Nor shall anything herein be offered or received in evidence in any action or proceedings of any kind other than such action or proceedings as may be necessary to consummate, defend, enforce, or give effect to this Settlement Agreement. For the avoidance of doubt, on the Settlement Effective Date, each of FGIC and ■ hereby releases and discharges the other, and all other persons, from any claim or liability to pay any amount, including those amounts specified in paragraphs 2.2 and 2.3 above, arising from its respective Notice of Termination, and, once FGIC pays the Payment to ■ neither ■ nor FGIC will thereafter retain any rights with respect to any of the Reference Obligations that may be enforced against the other Parties hereto.

2.5 Effective as of the Settlement Effective Date, each Policy is hereby cancelled without any payment in connection therewith other than the Payment. ■ shall, promptly after the Settlement Effective Date, return each Policy or, in the case of any Policy that it is unable to locate after using commercially reasonable efforts to do so, a Certificate of Lost Policy, with respect to such Policy to Financial Guaranty; *provided, however*, that any failure by ■ to return a Policy shall not affect its cancellation hereunder, and ■ hereby agrees to indemnify Financial Guaranty for any loss, cost, expense or liability that may arise from or in connection with ■ inability to locate such Policy. A “**Certificate of Lost Policy**” shall be a certificate signed by an authorized officer of ■ stating, with respect to a specified Policy, that ■ has used commercially reasonable efforts to locate such Policy and, despite such efforts, such Policy has not been located.

2.6 The Parties hereby agree that, with respect to each Transaction, the provisions of the related Confirmation with respect to Voting Actions set forth in either Section 6 (under the heading “Notice and Voting Provisions”) or Section 8 (under the heading “Seller’s Right to Exercise Voting Rights on Reference Obligation”) of such Confirmation, as applicable thereto, shall not apply to any Voting Action during the period from and after the execution of this Settlement Agreement until such time as this Settlement Agreement may be terminated pursuant to paragraph 5.1 below. The Parties hereby further agree that if, during such period, with respect to any Transaction:

- (i) (a) [REDACTED] takes any Covered Action, and as a result of such Covered Action (whether or not a Voting Action by any other person was also required) any amount shall become payable by FGIC or FGIC Credit under any Transaction Document or otherwise with respect to such Transaction, the timing of a 1y amount payable by FGIC or FGIC Credit under any Transaction Document shall be affected or any such amount shall be increased, or (b) the other holders of the Reference Obligation take any such Covered Action (with a result referred to in the preceding subclause (a)) at any time that [REDACTED] (x) has failed to procure that the holders of the Relevant Proportion of the Reference Obligation Outstanding Amount or the holders of a principal amount of the Reference Obligation equal to the Floating Rate Payer Calculation Amount or the Reference Obligation Notional Amount for such Reference Obligation (in each case as applicable to and contemplated by Section 6 or Section 8 (as applicable) of such Confirmation, and as such terms used are defined in such

Confirmation) shall not take any such Covered Action and (y) is not then a holder of such Relevant Proportion or such principal amount, as applicable; and

- (ii) the consent of Financial Guaranty or FGIC Credit would otherwise have been required, or █████ would otherwise have been required to follow any direction or instruction from Financial Guaranty or FGIC Credit, with respect to such Covered Action under such Confirmation but for the first sentence of this paragraph 2.6;

then such Transaction and the related Confirmation and Policy, together with the respective rights, obligations and liabilities of the Parties thereunder or otherwise relating thereto, shall automatically terminate and be discharged without need for any further action, and each Party hereby releases (effective simultaneously with such termination and discharge) each other Party from all claims, obligations and liabilities under or otherwise relating to such Transaction and the related Confirmation and Policy.

3. **Payment.**

3.1 In consideration of the terminations, discharges and releases effected by paragraph 2 and subject to FGIC's having received the Applicable Approval and the occurrence of the Settlement Effective Date, FGIC will pay to █████ on the Settlement Effective Date, the aggregate amount of US\$50,000,000 in immediately available funds to the account set forth for █████ below:

██
Acct #: ██████████
Swift Code: ██████████
Swift Field 58 Code: ██████████

4. **Suspension and Dismissal of Litigation.**

4.1 Upon the execution of this Settlement Agreement, except for the communications contemplated in this paragraph 4.1 or in paragraph 4.2 below, no Party shall seek to advance their legal position in any communication with the court or presiding judge in the Action unless otherwise requested or ordered to do so by the court. For the avoidance of doubt, upon the execution of this Settlement Agreement, none of the Parties shall seek to restore, reinstate or revive the Action or the motion to dismiss the Complaint, except for the purposes discussed in this paragraph 4.1 or paragraph 5.1 below. Within two (2) business days following the execution of this Settlement Agreement, the Parties shall jointly execute and file with the court a stipulation, in the form attached hereto as Annex B restoring the case to the active calendar for the purpose of dismissing the Action without prejudice to the parties' ability to re-file the action pursuant to this Settlement Agreement. The Parties agree that no Party will initiate any further proceedings or actions against the other arising from or relating to the Transaction and Transaction Documents while the stipulation remains in effect. In case of the termination of the Settlement Agreement under paragraph 5.1 below, the stipulation will be of no further force and effect and any Party may proceed in accordance with paragraph 5.1 below. ■ agrees (i) that it will, on the date that the stipulation is filed, advise the NYSID that it withdraws, subject to the Applicable Approval being granted, its previous objections to FGIC's restructuring plans; and (ii) not to make any further objection to FGIC's restructuring plans while the stipulation remains in effect, unless and until (and only so long as) any Plan submitted or to be submitted by the Superintendent in any Proceeding does not provide for the consummation of the transactions contemplated by

this Settlement Agreement, and except as otherwise necessary to protect [REDACTED] rights under this Settlement Agreement.

4.2 Within three (3) business days following the Settlement Effective Date, the Parties shall file or cause to be filed a stipulation of dismissal signed by all Parties, in the form attached hereto as Annex C, providing for the dismissal with prejudice of all claims in the Action, and providing for the continued jurisdiction of the court over any disputes that arise under this Settlement Agreement. Each Party shall bear its own costs and attorneys' fees associated with the Action and this Settlement.

4.3 FGIC agrees to provide [REDACTED] with periodic updates, which may be effected via phone call or other reasonable means if agreed to by the Parties, regarding the status of FGIC's restructuring plans. Furthermore, in the event that FGIC provides to any Counterparty a copy of all or any portion of any proposed Plan, FGIC agrees to provide [REDACTED] with a comparable copy, it being understood that if the copy provided to such Counterparty is limited to provisions relating to transactions to be entered into with such Counterparty or otherwise excludes any portion of such Plan, the copy to be provided to [REDACTED] will be similarly limited to provisions relating to the transactions contemplated by this Settlement Agreement or will be subject to such other exclusions (any such copy provided to [REDACTED] together with all information contained therein, all updates provided pursuant to the preceding sentence, all information included in such updates and all information provided to [REDACTED] pursuant to paragraph 2.1 of this Settlement Agreement, collectively being "FGIC Information"). FGIC Information is confidential, proprietary information of FGIC, and includes information material to the value of securities issued or insured by FGIC or any of its affiliates ("FGIC Securities"). FGIC Information (1)

shall be kept confidential by [REDACTED] and its Representatives (as defined below) in accordance with paragraph 6 of this Settlement Agreement (*provided, however*, that notwithstanding clause 6(i)(3) of this Settlement Agreement, [REDACTED] and its Representatives shall not make any disclosure of FGIC Information in connection with any purchase or sale of, or offer to purchase or sell, any FGIC Security), and (2) shall be subject to the provisions set forth in paragraph 2.4 of this Settlement Agreement. Immediately following any termination of this Settlement Agreement, [REDACTED] shall take reasonable steps to return to FGIC or destroy FGIC Information (with any FGIC Information not returned to FGIC or destroyed continuing to be subject to this paragraph 4.3 and paragraph 6 below). [REDACTED] and its Representatives shall use FGIC Information (excluding any FGIC Information which is or becomes publicly known through means other than a breach of this Settlement Agreement by [REDACTED] or any of its Representatives) solely for the purpose of administering this Settlement Agreement and monitoring the progress towards achieving a Settlement Effective Date, and [REDACTED] shall be liable for any breach of this restriction or the confidentiality restriction in subclause (1) of the second preceding sentence by [REDACTED] or any of its Representatives. For the avoidance of doubt, nothing contained in this Settlement Agreement shall serve to restrict (i) any brokerage, research, investment management or trading activities by [REDACTED] either for its own account or for the accounts of its customers or (ii) [REDACTED]'s investment banking or commercial lending activity, or activity related to the management or monitoring of any such activity, in each case subject to the prior sentence and paragraph 6 below, and provided that [REDACTED] hereby (x) acknowledges that [REDACTED] is aware that the United States securities laws and other laws prohibit anyone who has material, non-public information concerning any person or entity from purchasing or selling any

securities of such person or entity, or from communicating such information to any other person or entity under circumstances in which it is reasonably foreseeable that such other person or entity is likely to purchase or sell such securities, and (y) agrees not to purchase or sell any FGIC Securities in violation of any such laws.

5. **Termination of Settlement Agreement.**

5.1 In the event that (a) the Settlement Effective Date has not occurred on or before 11:59 PM (New York City time) on May 31, 2012, or (b) the Settlement Effective Date has not occurred and (i) Financial Guaranty fails to include the transactions contemplated hereby in a Plan it submits to the NYSID or NYLB, pursuant to Section 2.1 above, or (i) the Superintendent submits a Plan in a Proceeding which does not provide for the consummation of the transactions contemplated by this Settlement Agreement, or (iii) the New York State Supreme Court orders or approves a Plan in a Proceeding which does not provide for the consummation of the transactions contemplated by this Settlement Agreement and such consummation is not otherwise ordered or approved in writing by such court, then ■ may terminate this Settlement Agreement by providing written notice of such termination to Financial Guaranty, in which event the terms and provisions of this Settlement Agreement shall have no effect on the Parties' rights and obligations, if any, under the Transactions and Transaction Documents and, subject to paragraph 5.2 below, shall have no further force and effect. In the event of a termination, the Parties shall be restored to their respective positions in the Action as at the date hereof, and the Parties, within two (2) business days following the Settlement Termination Date, will jointly make an application requesting that any dismissal entered by the court pursuant to paragraph 4.1 above be vacated, and that the

Action be restored to the court's calendar. The Settlement Agreement shall not be used in the Action and the Action shall proceed as if no Party had ever agreed to such settlement, without prejudice to the right of any Party to take any and all action of any kind in the Action or any other proceeding.

5.2 Notwithstanding paragraph 5.1 above, the provisions of paragraph 2.6 above, the Parties' rights and obligations under this paragraph 5 and paragraph 6 below and the obligations of ■■■ and its Representatives under paragraph 4.3 above shall not be affected by the occurrence of the Settlement Termination Date and shall continue with the same force and effect. Nor does any provision of this Settlement Agreement constitute a waiver of any right ■■■ may have with respect to any Proceeding, except as otherwise expressly stated herein.

6. **Confidentiality**. Each Party hereby agrees not to disclose or allow disclosure to any person that this Settlement Agreement has been discussed or entered into by the Parties hereto, or any of the terms, conditions or other facts with respect to this Settlement Agreement. Notwithstanding the foregoing, each Party may:

- (i) make such disclosures (1) to its affiliates, stockholders, directors (and their respective attorneys), officers, employees, auditors, attorneys, agents, representatives, consultants and other professional advisors (collectively, "**Representatives**"), in each case only to the extent such persons need to know the information so disclosed in connection with performing their responsibilities with respect to the subject matter of this Settlement Agreement, and provided that such Party shall have informed each such Representative of the confidential nature of such information and shall be

liable for any failure of such Representative to keep such information confidential as required hereunder; (2) to any governmental or regulatory agencies asserting authority over such Party, in each case to the extent required or requested by them or if such Party determines it is advisable to provide them with such information, in each case if such Party informs them of the confidential nature of such information and requests that they maintain its confidentiality; (3) to the extent required by applicable law, rule or regulation including without limitation disclosure that may be required pursuant to applicable securities laws, or to provide appropriate financial statement disclosure; (4) in the case of Financial Guaranty, to its reinsurers, if any, with respect to the respective Policies, (5) in the case of Financial Guaranty, in connection with the preparation for or the conduct of any Proceeding, including without limitation the development, negotiation, approval and consummation of any plan or other actions relating thereto, and (6) in connection with any action to enforce this Settlement Agreement or any provision of this Settlement Agreement and in connection with any proceeding, including steps leading to a potential proceeding, that involves this Settlement Agreement or any provision of this Settlement Agreement; and

- (ii) issue a press release or make other public disclosure to the effect of the statement attached as Annex D to this Settlement Agreement.

Furthermore, [REDACTED] hereby agrees not to disclose or allow disclosure to any person of any FGIC Information, excluding any FGIC Information which is or becomes publicly

known through means other than a breach of this Settlement Agreement by ■■■ or any of its Representatives. Notwithstanding the foregoing, ■■■ may make disclosures of FGIC Information as provided in sub-clauses (1) through (3) of clause (i) above.

7. **Representations.** Each Party hereto hereby represents and warrants to the other Parties hereto that:

- (i) it is duly organized and validly existing and in good standing under the laws of the jurisdiction of its organization with full power and authority to execute and deliver, and to perform and observe the terms and provisions of, this Settlement Agreement;
- (ii) the execution, delivery and performance of this Settlement Agreement by such Party have been duly authorized by all necessary action on the part of such Party, do not and will not conflict with, or result in a violation of, any law applicable to it, and do not require it to obtain any permit, consent, approval or authorization of, or provide notice to or make a filing with, any governmental or regulatory agency that has not been obtained, provided or made, as applicable, except, in the case of FGIC, the Applicable Approval;
- (iii) this Settlement Agreement is the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to

enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));

- (iv) it is sophisticated and has specific knowledge of and experience with structures involving (w) insured and uninsured asset-backed securities, (x) derivative instruments, (y) issuers and investment funds whose assets consist principally of insured and uninsured asset-backed securities, derivative instruments, bonds, loans and/or other types of financial assets and (z) other instruments similar to the Transactions and the respective Reference Obligations; and
- (v) it (w) has no knowledge of any person other than the Parties that is a beneficiary or that has any legal or beneficial right, title or interest in, to or under any Transaction Documents or otherwise with respect to any Transaction, and the Transactions comprise all the credit derivatives transactions under the Master Agreement, (x) has not transferred, sold, pledged or assigned, in whole or in part, any such right, title or interest, (y) will not transfer, sell, pledge or assign, in whole or in part, any such right, title or interest on or before the Settlement Termination Date, and (z) agrees to indemnify, defend and hold harmless any person or entity released in this Settlement Agreement from and against any and all claims based on or arising out of any such transfer, sale, pledge or assignment by it.

8. **Acknowledgements.**

8.1 The Parties acknowledge, declare, and agree that: (i) they have consulted legal counsel about this Settlement Agreement; (ii) they have had adequate time and opportunity to review the terms of this Settlement Agreement, have carefully read it, and have a full understanding of its terms; (iii) they have negotiated this Settlement Agreement at arm's length and cooperated in drafting and preparing this Settlement Agreement, and accordingly, expressly waive any rule of law or any legal decision that would require interpretation of any ambiguities in this Settlement Agreement against the Party that has drafted it; (iv) they have entered into this Settlement Agreement voluntarily and intend to be legally bound by its provisions, which shall be interpreted in a reasonable manner to effect the purposes of this Settlement Agreement; and (v) they have acted on the basis of advice as to legal, taxation, accounting, regulatory, and/or financial matters provided by each such Party's own advisors and are not relying on advice provided by the other Party in relation to any such matter.

8.2 Each Party hereto acknowledges that each other Party hereto may have had access to certain information relating to the Transactions, the Transaction Documents, the Reference Obligations, the issuers thereof, the Underlying Instruments, other parties with respect to the transactions to which the Reference Obligations relate, and the assets included in such transactions which is not available to the other Parties hereto or other holders of securities issued in such transactions. In addition, each Party hereto acknowledges that each other Party hereto may be in possession of other material information (concerning such other Party or otherwise) which such other Party is restricted from disclosing to such first Party. Nonetheless, each Party hereto

acknowledges and agrees that it has had access to such financial, operating and other information concerning the Transactions, the Transaction Documents, the Reference Obligations, the issuers thereof, the Underlying Instruments, other parties with respect to the transactions to which the Reference Obligations relate, the assets included in such transactions and the other Parties hereto as it deems necessary and appropriate to make an informed decision with respect to this Settlement Agreement, including an opportunity to make such inquiries of and request information from the other Parties hereto. Each Party is represented by, and has consulted with, its own legal and other advisors to the extent it has deemed necessary.

8.3 Other than the satisfaction of the obligations set forth in this Settlement Agreement, each Party acknowledges and agrees that no additional consideration is required or owing to it, and that sufficient consideration has passed between them by virtue of this Settlement Agreement to render this Agreement, including the releases herein, valid and enforceable.

9. **Miscellaneous.**

9.1 **Further Assurances.** Each Party agrees to take all such action as the other Parties may reasonably request to effectuate the intent and purposes of, and to carry out the terms of, this Settlement Agreement.

9.2 **Entire Agreement.** The Parties intend and agree that the terms set forth in this Settlement Agreement constitute a complete, final, and exclusive expression of their mutual agreements, waiver, and release of all claims with respect to the Action, and supersede any prior or contemporaneous oral or written agreements, drafts, proposed agreements, negotiations, and discussions with respect to the subject matter hereof.

9.3 **Modification.** Neither this Settlement Agreement nor any provision hereof can be modified or waived in any way, except in writing and with the express written consent of all the Parties.

9.4 **Binding Effect.** This Settlement Agreement shall be binding on and inure to the benefit of the Parties, and any of their respective parents, subsidiaries, affiliates, predecessors, successors, transferees or assigns, former or present officers, directors, employees, agents, attorneys or representatives, and any person acting on their behalf.

9.5 **Headings.** The headings of the sections and paragraphs contained in this Settlement Agreement are for convenience of reference only and are not to be used to define, limit, or construe the express provisions of this Settlement Agreement.

9.6 **Terms.** Terms used in this Settlement Agreement, unless otherwise defined herein, shall have the meanings ascribed to them in the Transaction Documents.

9.7 **Governing Law and Jurisdiction; Waivers.** This Settlement Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to choice of law doctrine. All disputes arising from this Settlement Agreement shall be subject to the exclusive jurisdiction of the United States District Court for the Southern District of New York and, to the extent practicable, submitted to the judge presiding over the Action. For any suit arising out of this Settlement Agreement, the Parties hereby waive all rights to a trial by jury.

9.8 **Remedies Cumulative.** The rights, powers, remedies and privileges provided in this Settlement Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

9.9 **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Settlement Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

9.10 **Counterparts.** This Settlement Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if signatures

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thereto and hereto were up on the same instrument. For purposes of this Settlement Agreement, facsimile counterparts will be deemed to be the equal to originals.

IN WITNESS WHEREOF, the Parties have executed this Agreement, and this Agreement shall become effective, on the date first above written.

ON BEHALF OF [REDACTED]

[REDACTED]

By: [REDACTED]

Its: [REDACTED]

ON BEHALF OF FINANCIAL
GUARANTY INSURANCE COMPANY

[Signature]

By: Timothy S. Harris

Its: Authorized Signatory

ON BEHALF OF FGIC CREDIT
PRODUCTS LLC

[Signature]

By: Nick Santoro

Its: Asst. Treasurer

ANNEX B

[form of stipulation: stay without prejudice]

ANNEX C

[form of stipulation: dismissal with prejudice]

ANNEX D

On [REDACTED] [REDACTED] Financial Guaranty Insurance Company (“Financial Guaranty”), FGIC Credit Products LLC (“FCIC Credit”, and together with Financial Guaranty, “FGIC”) and [REDACTED] entered into a Settlement and Commutation Agreement (the “Agreement”) in connection with litigation between [REDACTED] and FGIC in the United States District Court for the [REDACTED] concerning credit derivatives transactions between FGIC Credit and [REDACTED] and related financial guaranty insurance policies issued to [REDACTED] by Financial Guaranty. The Agreement provides for, among other things, the settlement of such litigation, the termination of such transactions and policies and the mutual release of FGIC and [REDACTED] from all related claims and liability in consideration of a cash commutation payment by FGIC to [REDACTED] subject in each case to, among other conditions, approval by the New York State Insurance Department or applicable judicial approval of such settlement, termination and release.

AMENDMENT TO SETTLEMENT AND COMMUTATION AGREEMENT

Dated as of July 23, 2012

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

This Amendment to Settlement and Commutation Agreement dated as of July 23, 2012 (this "Amendment") refers to the Settlement and Commutation Agreement dated as of July 7, 2011 (the "Agreement") among Financial Guaranty Insurance Company ("Financial Guaranty"), FGIC Credit Products LLC ("FGIC Credit") and [REDACTED] ("Parties"). Capitalized terms used in this Amendment and not otherwise defined herein shall have the respective meanings given to such terms in the Agreement.

Clause (a) of paragraph 5.1 of the Agreement refers to the date May 31, 2012, and the Parties wish to extend the date referred to in such clause as provided below and to make the other changes set forth below.

Accordingly, effective as of the date hereof, clause (a) of paragraph 5.1 of the Agreement is hereby amended by replacing the date "May 31, 2012" referred to therein with the language "November 30, 2012 or, if prior to such date the Superintendent submits a Plan in a Proceeding providing for the consummation of the transactions contemplated by the Agreement, the date occurring one year following the date of such submission;" and from and after the date hereof, each reference in the Agreement to paragraph 5.1 shall mean and be a reference to such paragraph giving effect to the foregoing amendment to clause (a) thereof.

Furthermore, effective as of the date hereof, clause (ii) of paragraph 2.6 of the Agreement is hereby amended in its entirety to read as follows:

"(ii) the consent of Financial Guaranty or FGIC Credit would otherwise have been required, or [REDACTED] would otherwise have been required to follow any direction or instruction from Financial Guaranty or FGIC Credit, with respect to such Covered Action under such Confirmation but for (x) the first sentence of this paragraph 2.6 and (y) the commencement or continuation of the Proceeding commenced under and pursuant to the Order of Rehabilitation signed by the Honorable Doris Ling-Cohan of the Supreme Court of the State of New York, County of New York, on June 28, 2012 in the Matter of the Rehabilitation of Financial Guaranty Insurance Company, Index No. 401265/2012, or the occurrence or existence of any Rehabilitation Circumstances (as defined in such Order of Rehabilitation);"

From and after the date hereof, each reference in the Agreement to paragraph 2.6 shall mean and be a reference to such paragraph giving effect to the foregoing amendment to clause (ii) thereof.

Except as expressly amended hereby, the terms and provisions set forth in the Agreement are hereby ratified and confirmed and shall remain in full force and effect, and the respective rights and obligations of the Parties under the Agreement, as amended by this Amendment, shall continue and be enforceable in accordance with its terms, as so amended. From and after the date hereof, each reference to the Agreement in any agreement, document or instrument now or hereafter in effect (including without limitation each reference to the "settlement agreement" in any stipulation filed in connection with the Action) shall mean and be a reference to the Agreement as amended by this Amendment.

This Amendment shall be governed by and construed in accordance with the laws of the State of New York, without regard to choice of law doctrine. All disputes arising from this Amendment shall be subject to the exclusive jurisdiction of the United States District Court for the Southern District of New York and, to the extent practicable, submitted to the judge presiding over the Action. For any suit arising out of this Amendment, the Parties hereby waive all rights to a trial by jury.

This Amendment may only be modified, amended or supplemented by a written instrument executed by each of the Parties.

This Amendment may be signed in counterparts (including by electronic messaging system or facsimile transmission), each of which will constitute an original and which together will constitute one and the same agreement.

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

Yours sincerely,

[REDACTED]

By:

Name:

Title:

Confirmed as of the date first above written:

FINANCIAL GUARANTY INSURANCE COMPANY

By: BENJAMIN M. LAWSKY

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

By:

Peter A. Giacone

Name: Peter A. Giacone

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

FGIC CREDIT PRODUCTS LLC

By:

Name:

Title:

John S. Dabel
CEO