

[DATE]

RE: \$[PAR] [LEGAL TITLE OF OBLIGATIONS] (the “Obligations”)

Dear _____:

Enclosed please find the following documents in connection with the Financial Guaranty Insurance Policy (the “Policy”) to be issued by National Public Finance Guarantee Corporation (“National”) for the above referenced Obligations:

1. Our Commitment (the “Commitment”) to issue the Policy for the referenced Obligations with _____ (the “Applicant”). Please execute the Commitment and send a PDF copy of same via email to amy.gonch@nationalpfg.com;
2. Our standard disclosure language and a form of the Policy for inclusion in the Official Statement or other offering document for the Obligations;
3. A form of our Statement of Insurance for inclusion in the form of the Obligations; and
4. Certificate of Issuer regarding National Public Finance Guarantee Corporation Insurance Policy. The Certificate must be executed by the Issuer and Paying Agent and returned to National prior to the closing for the Obligations in order for the Policy to be released.

Confirmation regarding the review of items 2 and 3 above may be obtained from the undersigned. Under no circumstances should any changes be made to any of the above enumerated items, nor should any other versions of these materials be used unless you have direct confirmation from National as to the acceptability of such use. Since the responsibility for approving this information remains with us, please send us drafts of these documents for our approval prior to the printing or execution of any of these documents. In addition, please provide the undersigned with a copy of the final debt service schedule for the Obligations at the time of sale.

Please note that all of the conditions set forth in the Commitment must be satisfied prior to the Policy being released by National. All materials and questions regarding item 4 above should be directed to the attention of Dan McManus, General Counsel, and [DEAL ANALYST], new business analyst, whose email addresses are Daniel.McManus@nationalpfg.com and [DEAL ANALYST]@nationalpfg.com

The premium payment in the amount of [PREMIUM] for the Policy will be due on the closing date for the Obligations and should be wired to:

Bank:	JP Morgan Chase Bank New York, New York
Account No.:	304 6 99020
ABA No:	021000021
Policy No:	[POLICY NO.]

Please provide an electronic link for or CD copy of the closing transcripts within 30 days of the closing of the transaction.

If you have any questions, please contact our offices. Thank you.

Sincerely,

Amy R. Gonch
Vice President
Insurance Operations
Phone: (914) 765-3712
Email: amy.gonch@nationalpfg.com



EXPERIENCE COMMITMENT STRENGTH

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION COMMITMENT TO ISSUE A FINANCIAL GUARANTY INSURANCE POLICY

Application No.: _____

Bid Type: _____

Sale Date: _____

Re: \$[PAR] [LEGAL TITLE OF OBLIGATIONS] (the "Obligations")

This commitment to issue a financial guaranty insurance policy (the "Commitment") dated [DATE], constitutes an agreement between _____ (the "Applicant") and National Public Finance Guarantee Corporation ("National"), a stock insurance company incorporated under the laws of the State of New York.

Based on an approved application dated [APPROVAL DATE], National agrees, upon satisfaction of the conditions herein, to issue on the earlier of (i) 90 days of said approval date or (ii) on the date of delivery of and payment for the Obligations (the "Closing Date"), a financial guaranty insurance policy (the "Policy") for the Obligations, insuring the payment of principal of and interest on the Obligation when due. The issuance of the Policy shall be subject to the following terms and conditions:

1. Payment by the Issuer, or by the designated trustee on behalf of the Issuer, on the Closing Date, of a nonrefundable premium in the amount of [PREMIUM]. The premium set out in this paragraph shall be the total premium to be paid on the Policy issued pursuant to this Commitment.
2. The Obligations shall have received an unqualified opinion of bond counsel with respect to the due authorization, execution and delivery of the Obligations, as well as with respect to the tax treatment of interest on the Obligations.
3. On or prior to the Closing Date, there shall have been no material adverse change in the Obligations or the resolution, bond ordinance, trust indenture or other official document authorizing the issuance of the Obligations (the "Authorizing Document"), or in the final official statement or other similar document, including the financial statements included therein, not previously approved in writing by National.
4. On or prior to the Closing Date, there shall have been no material adverse change in any information submitted to National as a part of the application for the Commitment.



5. No event shall have occurred which would allow any underwriter or any other purchaser of the Obligations not to be required to purchase the Obligations on the Closing Date.
6. On or prior to the Closing Date, none of the information or documents submitted as a part of the application to National shall be determined to contain any untrue or misleading statement of a material fact or fail to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading.
7. No material adverse change affecting any security for the Obligations shall have occurred on or prior to the Closing Date, which has not been previously approved by National.
8. A Statement of Insurance satisfactory to National shall be printed on the Obligations and approved by National.
9. The attached Certificate of Issuer as to National Public Finance Guarantee Corporation Insurance Policy must be executed by the Issuer and Paying Agent, and delivered to National on or prior to the Closing Date.
10. A certificate as to continuing disclosure satisfying the requirements of SEC Rule 15c2-12 must be executed by the Issuer on or before the Closing Date.
11. Review of all documents related to the issuance of the Obligations by National's legal counsel.
12. The Issuer agrees not to use National's name in any public document including, without limitation, a press release or presentation, announcement or forum without National's prior consent; provided however, such prohibition on the use of National's name shall not relate to the use of National's approved form of disclosure in public documents issued in connection with the Obligations; and provided further such prohibition shall not apply to the use of National's name in order to comply with public notice, public meeting or public reporting requirements.



EXPERIENCE COMMITMENT STRENGTH

This Commitment may be signed in counterpart by the parties hereto.

Dated this [DAY] day of [MONTH, YEAR].

National Public Finance Guarantee Corporation

By _____
Secretary

[_____]

By: _____

Title: _____

SAMPLE

[\$[PAR]
[LEGAL TITLE OF OBLIGATIONS]
(the “Obligations”)

CERTIFICATE OF ISSUER AS TO NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION INSURANCE POLICY

This Certificate is furnished by _____, as issuer (the “Issuer”) of its \$_____ [Bonds], dated _____, _____ (the “Obligations”), and _____, as paying agent for the Obligations (the “Paying Agent”), for the benefit of National Public Finance Guarantee Corporation (“National”) in connection with the issuance of its financial guaranty No. _____ (the “Policy”), guaranteeing the payment of the principal and interest on the Obligations when due.

The Issuer and the Paying Agent hereby certify as follows:

1. The undersigned acknowledge receipt and review of National’s “Payments Under the Policy/Other Required Provisions” with respect to the Policy, attached hereto as Schedule A.
2. The undersigned hereby agree, during the term of the Policy to abide by the terms, obligations and provisions required by Schedule A hereto.

IN WITNESS WHEREOF, we have executed this Certificate as of the ____ day of _____.

as Issuer

as Paying Agent

By: _____

By: _____

SCHEDULE A
PAYMENTS UNDER THE POLICY/REQUIRED DOCUMENT PROVISIONS
\$(PAR)
[LEGAL TITLE OF OBLIGATIONS]
(the "Obligations")

A. In the event that on the second business day prior to the payment date on the Obligations, the Paying Agent/Trustee has not received sufficient moneys to pay all principal of and interest on the Obligations due on the second following business day, the Paying Agent/Trustee shall immediately notify National Public Finance Guarantee Corporation (the "Insurer") or its designee on the same business day by telephone and email, confirmed in writing by registered or certified mail, of the amount of the deficiency.

B. If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent/Trustee shall so notify the Insurer or its designee.

C. In addition, if the Paying Agent/Trustee has notice that any holder of the Obligations (the "Bondholder") has been required to disgorge payments of principal or interest on the Obligations to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Paying Agent/Trustee shall notify the Insurer or its designee of such fact by telephone, confirmed in writing by registered or certified mail.

D. The Paying Agent/Trustee is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Bondholders as follows:

1. If and to the extent there is a deficiency in amounts required to pay interest on the Obligations, the Paying Agent/Trustee shall (a) execute and deliver to U.S. Bank Trust National Association, or its successors under the Policy (the "Insurance Paying Agent/Trustee"), in form satisfactory to the Insurance Paying Agent/Trustee, an instrument appointing the Insurer as agent for such Bondholders in any legal proceeding related to the payment of such interest and an assignment to the Insurer of the claims for interest to which such deficiency relates and which are paid by the Insurer, (b) receive as designee of the respective Bondholders (and not as Paying Agent/Trustee) in accordance with the tenor of the Policy payment from the Insurance Paying Agent/Trustee with respect to the claims for interest so assigned, and (c) disburse the same to such respective Bondholders; and

2. If and to the extent of a deficiency in amounts required to pay principal of the Obligations, the Paying Agent/Trustee shall (a) execute and deliver to the Insurance Paying Agent/Trustee in form satisfactory to the Insurance Paying Agent/Trustee an instrument appointing the Insurer as agent for such Bondholders in any legal proceeding relating to the payment of such principal and an assignment to the Insurer of any of the Obligation surrendered to the Insurance Paying Agent/Trustee of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent/Trustee and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent/Trustee is received), (b) receive as designee of the respective Bondholders (and not as Paying Agent/Trustee) in accordance with the tenor of the Policy payment therefor from the Insurance Paying Agent/Trustee, and (c) disburse the same to such Bondholders.

E. Payments with respect to claims for interest on and principal of Obligations disbursed by the Paying Agent/Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Obligations, and the Insurer shall become the owner of such unpaid

Obligation and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

F. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent/Trustee hereby agree for the benefit of the Insurer that:

1. They recognize that to the extent the Insurer makes payments, directly or indirectly (as by paying through the Paying Agent/Trustee), on account of principal of or interest on the Obligations, the Insurer will be subrogated to the rights of such Bondholders to take all actions and enforce all rights of such Bondholders and to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in the authorizing document and the Obligations; and

2. They will accordingly pay to the Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in the authorizing document and the Obligation, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Obligations to Bondholders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

G. With respect to any amendment for which Bondholder consent is a prerequisite, the Insurer's consent is also required and must be obtained.

H. The Insurer shall receive copies of all notices required to be delivered to Bondholders and any notices of Material Events, as defined by SEC Rule 15c2-12, as amended. All notices required to be given to the Insurer shall be in writing and shall be sent by registered or certified mail addressed to National Public Finance Guarantee Corporation, 1 Manhattanville Road, Suite 301, Purchase, New York 10577 Attention: Portfolio Surveillance [Policy No. TBD], or electronically to NationalPortfolioSurveillance@Nationalpfg.com -- referencing Policy No. TBD.

I. With respect to any advance refunding of the Obligations, the Issuer agrees to provide the Insurer (i) 15 days prior notice of any such advance refunding; (ii) verification by an independent firm acceptable to the Insurer of the sufficiency of the escrow to timely retire the refunded bonds; and, to the extent that such advance refunding is intended to discharge or defease the Issuers obligations under the Authorizing Document, (iii) an opinion of counsel stating that the Obligations have been legally defeased and that the escrow agreement establishing such defeasance operates to legally defease the Obligations within the meaning of the Authorizing Document.

J. Permissible Investments for Indentured Funds must be limited to the following:

1. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(1) U.S. Export-Import Bank (Eximbank)

i. Direct obligations or fully guaranteed certificates of beneficial ownership

- (2) Federal Financing Bank
 - (3) Federal Housing Administration Debentures (FHA)
 - (4) General Services Administration
 - i. Participation certificates
 - (5) Government National Mortgage Association (GNMA or "Ginnie Mae")
 - i. GNMA - guaranteed mortgage-backed bonds
 - ii. GNMA - guaranteed pass-through obligations
 - iii. not acceptable for certain cash-flow sensitive issues
 - (6) U.S. Department of Housing and Urban Development (HUD)
 - i. Project Notes
 - ii. Local Authority Bonds
 - iii. New Communities Debentures - U.S. government guaranteed debentures
 - iv. U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds
3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
- (1) Federal Home Loan Bank System
Senior debt obligations
 - (2) Resolution Funding Corp. (REFCORP) obligations
 - (3) Farm Credit System
Consolidated system wide bonds and notes
4. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.
5. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.
6. Bonds or notes issued by any state or municipality whose underlying ratings from Moody's and S&P are in the highest rating categories assigned by such agencies.
7. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of Prime - 1 or A3 or better by Moody's and A-1 or A or better by S&P.
8. Repurchase Agreements for 30 days or less, subject to the following criteria:
- 1) Repos must be between the municipal entity and a dealer bank or securities firm
 - i. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Services, or
 - ii. Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.

K. Permissible Investments for Escrowed Funds must be limited to the following:

1. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - "SLGS").
2. Direct obligations of the Treasury which have been stripped by the Treasury itself.
3. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
4. Pre-refunded municipal bonds rated Aaa by both Moody's and AAA by S&P.
5. Obligations issued by the following agencies which are backed by the full faith and credit of the United States:
 - 1) U.S. Export-Import Bank (Eximbank)
 - i. Direct obligations or fully guaranteed certificates of beneficial ownership
 - 2) Federal Financing Bank
 - 3) General Services Administration
 - i. Participation certificates
 - 4) U.S. Department of Housing and Urban Development (HUD)
 - i. Project Notes
 - ii. Local Authority Bonds
 - iii. New Communities Debentures – U.S. government guaranteed debentures
 - iv. U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds

L. The Issuer agrees that the Insurer is explicitly recognized as being a third party beneficiary under the financing documents with the power to enforce any right, remedy, or claim conferred, given or granted under such financing documents.

M. The Issuer agrees to reimburse the Insurer immediately and unconditionally upon demand, to the extent permitted by law, for all reasonable expenses, including attorneys' fees and expenses, incurred by the Insurer in connection with the enforcement by the Insurer of the Issuer's obligations, or the preservation or defense of any rights of the Insurer, under the Authorizing Document and any other document executed in connection with the issuance of the Obligations.