

FINANCIAL GUARANTY INSURANCE POLICY
National Public Finance Guarantee Corporation
Purchase, New York 10577

Policy No. [POLICY #]

National Public Finance Guarantee Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT], [PAYING AGENT CITY & STATE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

[PAR AMOUNT]
[FIRST LINE OF LEGAL TITLE]
[SECOND LINE OF LEGAL TITLE]
[THIRD LINE OF LEGAL TITLE]
[FOURTH LINE OF LEGAL TITLE]

Upon receipt of telephonic or electronic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 1 Manhattanville Road, Suite 301, Purchase, New York 10577 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH], [YEAR].

**National Public Finance
Guarantee Corporation**

President

Attest: _____
Secretary

DEMAND FOR PAYMENT

_____, 20__

National Public Finance Guarantee Corporation
1 Manhattanville Road, Suite 301
Purchase, New York 10577
Attention: President

RE: [LEGAL TITLE OF OBLIGATIONS]

Reference is made to Policy No. [POLICY NUMBER] (the "Policy") issued by the National Public Finance Guarantee Corporation (the "Insurer"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Policy unless the context otherwise requires.

The Paying Agent hereby certifies that:

- (a) In accordance with the provisions of the Document (attached hereto as Exhibit A), payment is due to the Owners of the Obligations on _____ (the "Due Date") in an amount equal to \$ _____ (the "Amount Due").
- (b) The amounts legally available to the Paying Agent on the Due Date will be \$ _____ less than the Amount Due (the "Deficiency").

The Paying Agent hereby requests that payment of the Deficiency be made by the Insurer under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy:

[PAYING AGENT'S ACCOUNT INFORMATION]

[Paying Agent]

ABA #:

G.L. Account No #:

FFC TAS #:

Ref:

Attn: Name/Phone number

Beneficiary Address:

[Name of Bank]

[Street Address]

[City, State Zip]

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

[PAYING AGENT]

By _____

Its _____

THE ASSIGNMENT OF RIGHTS

IN CONSIDERATION of the sum of _____ Dollars (\$) to be paid on _____ [Date] to [PAYING AGENT] (the “Paying Agent”) under Policy No. [____], representing the principal and/or interest payment due to the Owner of [LEGAL TITLE OF THE OBLIGATIONS] (the “Obligations”) by [OBLIGOR] (the “Obligor”) issued pursuant to that certain _____ [Indenture/Resolution/Authorizing Document] (the “Authorizing Document”) dated as of _____, the Paying Agent, on behalf of the Owner of the Obligations (the “Bondholder”):

(i) HEREBY ASSIGNS, TRANSFERS AND SUBROGATES to National Public Finance Guarantee Corporation (the “Insurer”) all rights, claims and rights of action, to the extent of the amount above stated, to payment of amounts now Due for Payment under the Obligations and the Authorizing Document. The foregoing assignment is in addition to, and not in limitation of, all rights of subrogation otherwise available to the Insurer in respect of such payments. Payments to the Insurer in respect of the foregoing assignment, or pursuant to any such rights of subrogation, shall in all cases be subject to and subordinate to the rights of the Bondholder to receive all Amounts that are Due for Payment under the Obligations and the Authorizing Document. The Paying Agent, on behalf of the Bondholder shall take such actions and deliver such instruments as may be reasonably requested or required by the Insurer to effectuate the purpose or provisions of this clause (i) to the extent such actions or instruments would not compromise or conflict with the Bondholder’s rights hereunder and under the Obligations and the Authorizing Document and so long as the Insurer pays the reasonable expenses of Paying Agent or the Bondholder in connection with the taking of such actions and delivery of such documents. Subject to the foregoing, to the extent that, after the time the Demand for Payment and this Assignment of Rights is delivered the Paying Agent or the Bondholder receives for final credit any amounts against the Amounts that are Due for Payment under the Obligations that are the subject of such Demand for Payment and this Assignment of Rights (whether by payment from the Obligor, realization upon any collateral held by the Paying Agent or Bondholder securing such amounts or by reason of any other thing or event), the Paying Agent or Bondholder shall promptly so notify the Insurer and, if the Insurer has already made payment of the full amount claimed under the Demand for Payment, the Paying Agent or Bondholder shall immediately refund the portion of such payment as would have reduced its claim thereunder.

(ii) hereby appoints the Insurer as agent and attorney-in-fact for the Bondholder in any legal proceeding with respect to Amounts that are Due for Payment under the Obligations and the Authorizing Document to the extent paid by the Insurer under the Policy.

(iii) hereby agrees that the Insurer may at any time during the continuation of any proceeding by or against the Obligor under the United States Bankruptcy Code or any other applicable bankruptcy, reorganization, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency

Proceeding, including without limitation, (A) all matters relating to any claim in connection with an Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment made by the Obligor with respect to the Amounts that are Due for Payment under the Obligations and the Authorizing Document (a “Preference Claim”), (B) the direction of any appeal of any order relating to any Preference Claim at the expense of the Insurer and (C) the posting of any surety, supersedeas or performance bond pending any such appeal; provided, however that such agreement is subject to the condition that the Insurer’s exercise of its rights must permit the reversion at any time of any then-future exercise of such rights to the Paying Agent or Bondholder pursuant to the Reversion (as defined below). In addition, the Paying Agent, on behalf of the Bondholder hereby agrees that the Insurer shall be subrogated to, and the Paying Agent hereby delegates and assigns, to the fullest extent permitted by law, the rights of the Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order sought or issued in connection with any such Insolvency Proceeding; provided, however that such delegation and assignment of rights is subject to the condition that the Insurer’s exercise of its rights must permit the reversion at any time of any then-future exercise of such rights to the Paying Agent/Bondholder pursuant to the Reversion (as defined below). If the Insurer subsequently fails to make a payment required under the Policy, any rights derivative of the rights assigned (including, but not limited to any claims which may have been filed) shall revert to the Paying Agent/Bondholder (the “Reversion”).

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Rights on the _____ day of _____, .

[PAYING AGENT/BONDHOLDER]

By _____
Title _____