

**FIFTH WAIVER AND AMENDMENT TO THE
MASTER TRANSACTION AGREEMENT**

This FIFTH WAIVER AND AMENDMENT dated as of May 14, 2018 (the “Waiver and Amendment”) among SYNCORA HOLDINGS LTD. (formerly known as Security Capital Assurance Ltd) (“SHL”), a Bermuda exempted company, SYNCORA GUARANTEE INC. (formerly known as XL Capital Assurance Inc.) (“SIG”), a New York insurance company, and those portfolio trusts that are Affiliates of SIG that are party to MTA II (as defined below).

WHEREAS, SHL, SIG, certain Portfolio Trusts that are Affiliates of SIG and the CDS Counterparties entered into a certain Master Transaction Agreement dated as of April 26, 2009 (as amended, supplemented or modified prior to the date hereof, “MTA II”);

WHEREAS, SIG entered into a reinsurance framework agreement with Assured Guaranty Corp. on February 2, 2018 pursuant to which Assured Guaranty Corp. agreed to reinsure a significant portion of SIG’s in-force policies (such agreement, the consummation of any transaction contemplated thereby or related thereto, the entry into any ancillary agreements contemplated thereby or related thereto and the consummation of any transaction contemplated by or related to such ancillary agreements, the “Reinsurance Transaction”) and consummation of the Reinsurance Transaction requires the waiver of certain provisions of MTA II;

WHEREAS, the parties hereto (the “Parties”) wish to amend and restate or waive, as the case may be, certain provisions of MTA II, as set forth herein;

WHEREAS, the Parties wish to take such actions necessary to give effect to the foregoing;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein and in MTA II, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

Section 1. Definitions. Capitalized terms not otherwise defined in this Waiver and Amendment shall have the meanings ascribed to them in MTA II.

Section 2. Amendments.

2.1 The definition of Minimum CDS Counterparty Threshold in MTA II shall be amended and restated in its entirety to read as follows:

“Minimum CDS Counterparty Threshold” means, with respect to any supplements, waiver or modification to Sections 5.13(a)(i), (e), (h), (k)(i), (k)(ii), (k)(v), (k)(vi) or (k)(vii), of this Agreement, holders of a majority in principal amount of (i) the SIG Long Term Surplus Notes and (ii) the SIG Short Term Surplus Notes, in each case until such time all such class of Surplus Notes has been paid in full.

2.2 The following definition shall be inserted in alphabetical order in Section 1.01 of MTA II:

“Permitted Payments” means, for one year following the first date on which the aggregate of all payments (whether principal, interest or otherwise) made with respect to the SGI Surplus Notes on or after January 1, 2018 equal or exceed \$400 million, an aggregate of up to \$65 million of payments, in one transaction, which may in SGI’s sole discretion be a tender offer, by SGI or any of its affiliates to directly or indirectly redeem, repurchase, retire, prepay, convert, exchange or otherwise acquire for consideration SGI’s Series B preferred shares or corresponding securities issued by the Twin Reefs Asset Trust or the Twin Reefs Pass-Through Trust (the “Twin Reefs Securities”); *provided* that in the event of the acquisition of Twin Reefs Securities, SGI may, in its sole discretion, take any and all steps necessary or appropriate to cancel the corresponding Series B preferred shares of SGI.

2.3 Section 5.13(k)(v) of MTA II is hereby amended and restated in its entirety to read as follows:

(v) SGI will not pay any dividend, repurchase, redeem, exchange or convert any of its equity securities (or any of its direct or indirect parent) or make investments (other than pursuant to its investment policy, incidental to Remediation Efforts with respect to SGI or as set forth on Schedule 5.14). Notwithstanding the foregoing, the prohibitions set forth in this clause (v) will not apply to or restrict any Permitted Payments.

Section 3. Waiver.

3.1 In accordance with Section 8.06 of MTA II, the undersigned hereby waives compliance with (i) the restrictions set forth in Section 5.13(k)(iii) of MTA II, in order to permit the Reinsurance Transaction and (ii) any other restrictions on the Reinsurance Transaction contained in MTA II.

Section 4. Miscellaneous.

4.1 Except as specifically set forth herein, the terms of this Waiver and Amendment shall not be deemed to be a consent, waiver or modification with respect to any term, condition or obligation of any of the Parties in MTA II and shall not obligate any of the Parties to agree to any other amendment to MTA II.

4.2 This Waiver and Amendment may be executed and delivered in multiple counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same instrument and agreement. A facsimile or Portable Document Format copy of a signature shall have the same force and effect as an original signature.

4.3 This Waiver and Amendment is to be interpreted under and governed by the Laws of the State of New York without giving effect to conflicts of law provisions thereof that would make the law of any other jurisdiction applicable to this Waiver and Amendment. In the event that there is a dispute between or among the Parties arising under this Waiver and

Amendment, the Parties (i) agree that the exclusive forum to seek remedy shall be to institute a legal proceeding in the courts of the State of New York located in the City and County of New York and the United States District Court for the Southern District of New York and (ii) hereby expressly submit to the personal jurisdiction and venue of such courts for the purposes thereof and expressly waive any claim of lack of personal jurisdiction and improper venue and any claim that such courts are an inconvenient forum. Each Party hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the address provided to the Parties in accordance with Section 8.02 of MTA II, such service to become effective ten (10) days after such mailing.

4.4 Each of the Parties hereby waives to the fullest extent permitted by applicable Law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under, or in connection with this Waiver and Amendment. Each of the Parties hereby (i) certifies that no representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Waiver and Amendment by, among other things, the mutual waivers and certifications in this Section 4.5.

4.5 Each Party has had the opportunity to negotiate the terms, consult with counsel, and modify the provisions of this Waiver and Amendment. Therefore, the terms of this Waiver and Amendment will be considered and interpreted without any presumption, inference or rule requiring construction or interpretation of any provision of this Waiver and Amendment against the interests of the drafter of this Waiver and Amendment.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have executed this Waiver and Amendment as of the date first written above.

SYNCORA HOLDINGS LTD.

By: _____
Name:
Title:

SYNCORA GUARANTEE INC.

By: _____
Name:
Title:

PORTFOLIO CDS TRUST 37
PORTFOLIO CDS TRUST 56
PORTFOLIO CDS TRUST 77
PORTFOLIO CDS TRUST 78
PORTFOLIO CDS TRUST 97
PORTFOLIO CDS TRUST 114
PORTFOLIO CDS TRUST 115
PORTFOLIO CDS TRUST 120
PORTFOLIO CDS TRUST 121
PORTFOLIO CDS TRUST 126
PORTFOLIO CDS TRUST 145
PORTFOLIO CDS TRUST 202
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PORTFOLIO CDS TRUST 220
PORTFOLIO CDS TRUST 226
PORTFOLIO CDS TRUST 227
PORTFOLIO CDS TRUST 228
PORTFOLIO CDS TRUST 248

By: Syncora Admin LLC, not in its individual capacity but solely as trustee

By: _____
Name:
Title: