

INTERESTS AND LIABILITIES AGREEMENT
(the "Agreement")

entered into by and between

[REDACTED]
(hereinafter referred to as the "Company")

and

[REDACTED]
(hereinafter referred to as the "Subscribing Reinsurer")

and incorporating the

**QUOTA SHARE
REINSURANCE CONTRACT** [REDACTED]

Effective April 4, 2018

(the "Contract")

which forms a part of this Agreement.

This Agreement shall become effective at 12:01 a.m., Eastern Standard Time, April 4, 2018, and shall continue in force until the Policy is terminated, unless earlier terminated in accordance with the provisions of the Contract and its Attachment 1, which is expressly incorporated into and forms a part of this Agreement as Exhibit C. As established in the Contract, the *Subscribing Reinsurer* shall also execute the Endorsement and the Trust Agreement, attached as Exhibits A and B respectively, which are hereby expressly incorporated into this Agreement.

1. Quota Share

A. The *Subscribing Reinsurer* hereby accepts the following percentage share(s) in the interests and liabilities of the "Reinsurer" as set forth in the attached Contract captioned above:

- (i) [REDACTED] of the Class M-1 Reference Tranche
- (ii) [REDACTED] of the Class M-2 Reference Tranche
- (iii) [REDACTED] of the Class B-1 Reference Tranche

Notwithstanding the foregoing, upon the occurrence of an Insolvency Event for any other Reinsurer, in accordance with Article VII(U) of the Policy, the Original Insured and the Company shall provide the *Subscribing Reinsurer* schedules substantially in the form of Schedule 4 of the Policy and Exhibit D of the Agreement reflecting the *Subscribing Reinsurer's* revised percentage share(s) in the interests and liabilities of the "Reinsurer."

- B. The *Subscribing Reinsurer's* share in the Contract is and shall be separate and apart from the shares of any other reinsurer, and shall not be joint with the shares of any other reinsurer, it being understood that the *Subscribing Reinsurer* shall in no event participate in the interests and liabilities of any other reinsurer.

2. **Notices and Contract Execution**

- A. Whenever a notice, statement, report or any other written communication is required by a Reinsurance Document (as defined in the Contract), unless otherwise specified, such notice, statement, report or other written communication may be transmitted by certified or registered mail, nationally or internationally recognized express delivery service, personal delivery, electronic mail, first class mail or facsimile. Notice given as described above shall be deemed to be received and effective upon actual receipt thereof by a party or any Business Day (as defined in Attachment 1 to the Contract) following the date such notice is sent, whichever is earlier.
- B. All notices to the Company and *Subscribing Reinsurer* under any provision of a Reinsurance Document shall be sent by electronic mail to the e-mail address below, with a copy of each such notice sent in writing and given by prepaid express courier, certified mail or fax, to:

If to the Company:

[REDACTED]

If to the *Subscribing Reinsurer*:

[REDACTED]

All notices to the Original Insured under any provision of a Reinsurance Document shall be in writing and given by prepaid express courier, certified mail or fax, to:

Freddie Mac. 8200 Jones Branch Drive, McLean, VA 22102-3110



Notice given as described above shall be deemed to be received and effective upon actual receipt thereof by the addressee on any Business Day following the date such notice is sent, whichever is earlier.

- C. The use of any of the following shall constitute a valid execution of a Reinsurance Document or any amendment thereto:
1. Paper documents with an original ink signature; and/or
 2. Facsimile or electronic copies of paper documents showing an original ink signature.

[Remainder of page intentionally left blank]

In Witness Whereof, the parties hereto by their respective duly authorized representatives have executed this Agreement as of the dates specified below:

This _____ day of _____ in the year _____.

Signature

Title

This _____ day of _____ in the year _____.

Signature

Title

EXHIBIT A

Assumption of Liability Endorsement

This endorsement (the "Endorsement") forms a part of policy no. [REDACTED], effective as of April 4, 2018 (including any amendments, endorsements, or addenda thereto, hereinafter referred to as the "Policy") issued [REDACTED] (hereinafter referred to as the "Company") to the Original Insured named below and the Interests and Liabilities Agreement (the "I&L Agreement") incorporating the Quota Share Reinsurance Contract (the "Contract") which forms a part of the I&L Agreement by and between the Company and [REDACTED] (hereinafter referred to as the "Subscribing Reinsurer"), effective as of the same date. The Original Insured for whose benefit this Endorsement is made is as follows:

Original Insured: Federal Home Loan Mortgage Corporation, also known as Freddie Mac, a government-sponsored enterprise chartered by the U.S. Congress.

Original Insured's Address: 8200 Jones Branch Drive, McLean, VA 22102-3110

For value received, the Subscribing Reinsurer agrees as follows:

- (A) Upon the Company's acceptance of a Proof of Loss pursuant to the terms of the Policy (including any deemed acceptance of a Proof of Loss pursuant to the terms of the Policy), the Subscribing Reinsurer will pay to the Original Insured an amount equal to its quota share, as identified in Section 1(A) of the I&L Agreement, of the applicable Covered Amount (as defined in the Policy) under the Class M-1, Class M-2, or Class B-1 Reference Tranches payable by the Company under the Policy, and any applicable late payment fee attributable to the Subscribing Reinsurer, as and to the extent that the Original Insured does not otherwise receive payment of such Covered Amount (or such late payment fee) within five (5) Business Days following acceptance (including deemed acceptance) of the related Proof of Loss as required under the Policy. In such event, the Subscribing Reinsurer will make payment thereof directly to the Original Insured named above in accordance with the terms of the Policy.
- (B) Upon the occurrence of an Insolvency Event with respect to the Subscribing Reinsurer pursuant to the terms of the Contract, the Subscribing Reinsurer will pay to the Original Insured any Terminal Settlement Amount and any True-Up Amount payable by the Company to the Original Insured under the Policy in connection with such Insolvency Event, as and to the extent that the Original Insured does not otherwise receive payment of such Terminal Settlement Amount and/or True-Up Amount as and when required under the Policy. In such event, the Subscribing Reinsurer will make payment thereof directly to the Original Insured named above in accordance with the terms of the Policy.

In respect of the foregoing, the Subscribing Reinsurer acknowledges and agrees that its obligation to pay Covered Amounts (and any applicable late payment fees) or any Terminal Settlement Amount or True-Up Amount, as set forth above, shall be performed strictly in accordance with the terms of the foregoing under all circumstances. Unless otherwise instructed by the Original Insured in writing, in no event shall any amount payable by the Subscribing Reinsurer to the Original Insured hereunder, or otherwise in respect of this Endorsement or the Policy, be considered to have been paid by the Subscribing Reinsurer unless such amount is actually received by the Original Insured in immediately available funds and permitted to be retained by the Original Insured. To the extent the Original Insured does not receive any payment from the Subscribing Reinsurer as and when required under the Contract and this Endorsement, the Original Insured, without further notice, will have access to the Assets from the Trust Account.

For value received, the Original Insured agrees that, upon the occurrence of an Insolvency Event with respect to the Subscribing Reinsurer pursuant to the terms of the Contract, the Original Insured will pay to the Subscribing Reinsurer any Terminal Settlement Amount and any True-Up Amount payable by the Company to the Subscribing Reinsurer under the Contract in connection with such Insolvency Event, as and to the extent that the Subscribing Reinsurer does not otherwise receive payment of such Terminal Settlement Amount and/or True-Up Amount as and when required under the Contract. In such event, the

Original Insured will make payment thereof directly to the Subscribing Reinsurer in accordance with the terms of the Contract.

In respect of the foregoing, the Original Insured acknowledges and agrees that its obligation to pay any Terminal Settlement Amount or True-Up Amount, as set forth above, shall be performed strictly in accordance with the terms of the foregoing under all circumstances. Unless otherwise instructed by the Subscribing Reinsurer in writing, in no event shall any amount payable by the Original Insured to the Subscribing Reinsurer hereunder, or otherwise in respect of this Endorsement or the Contract, be considered to have been paid by the Original Insured unless such amount is actually received by the Subscribing Reinsurer in immediately available funds.

The Company and the Subscribing Reinsurer covenant that the provisions of this Endorsement, taken together with the (i) I&L Agreement, (ii) Policy, and (iii) Contract into each of which it is expressly incorporated and forms a part, shall take precedence over any other reinsurance agreement, contract or arrangement between them. In no event will the Subscribing Reinsurer be subject to duplicate liability under the Contract or under any other such agreement, contract or arrangement because of any payment or payments made to the Original Insured under the terms hereof. In no event will the Original Insured be subject to duplicate liability under the Contract or under any other such agreement, contract or arrangement because of any payment or payments made to the Subscribing Reinsurer under the terms hereof.

The Company and the Subscribing Reinsurer represent that they have the authorization and authority to enter into this Endorsement.

A copy of this Endorsement shall be attached to the I&L Agreement, the Policy and the Contract and delivered to the Original Insured. This Endorsement shall not be withdrawn or modified without the written consent of all parties hereto.

In Witness whereof, the parties hereto have executed this Endorsement to be effective as of the date set forth above.

[Redacted Signature Line]

(Official Title)
Subscribing Reinsurer

(Official Title)
Company

Federal Home Loan Mortgage Corporation

(Official Title)
Original Insured

EXHIBIT B

Trust Agreement

(Attached)

EXHIBIT C

QUOTA SHARE
REINSURANCE CONTRACT [REDACTED]
(the "Contract")

(Attached)

ATTACHMENT 1 TO EXHIBIT C

**Aggregate Excess of Loss Credit Insurance Policy
(Policy Number: [REDACTED])**

(Attached)

EXHIBIT D

Revised Reinsurer Allocation

**(Quota Share Reinsurance Contract [REDACTED])
(Policy Number: [REDACTED])**

(To be attached following a Reinsurer Insolvency Event)