

**AMENDED AND RESTATED CHARTER OF
BUILD AMERICA MUTUAL ASSURANCE COMPANY,
INCORPORATED UNDER SECTION 1201 OF THE INSURANCE LAW
OF THE STATE OF NEW YORK**

The following Articles amend and restate the charter of a corporation formed for the purposes of transacting surety insurance as specified in subparagraphs (C), (D), (E), (F), (G), (H) and (I) of paragraph (16) of Section 1113(a) of the Insurance Law of the State of New York and financial guaranty insurance as specified in paragraph (25) of Section 1113(a) and paragraph (a)(1) of Section 6901 of the Insurance Law of the State of New York.

ARTICLE I

NAME

The name of the corporation is Build America Mutual Assurance Company.

ARTICLE II

PRINCIPAL OFFICE

The principal office of the corporation shall be located in the County of New York, State of New York and the corporation shall have the power to conduct its business wherever authorized by law.

ARTICLE III

PURPOSE

SECTION 1. General Purposes. The kinds of insurance which the corporation is organized to transact, on a mutual plan, are the lines of insurance specified in subparagraphs (C), (D), (E), (F), (G), (H) and (I) of paragraph (16) of Section 1113(a) of the Insurance Law of the

State of New York and subparagraphs (A) and (E) of paragraph (25) of Section 1113(a) of the Insurance Law of the State of New York, as follows:

(16) "Surety insurance," means:

(C) Any contract bond; including a bid, payment or maintenance bond or a performance bond where the bond is guaranteeing the execution of any contract other than a contract of indebtedness or other monetary obligation;

(D) An indemnity bond for the benefit of a public body, railroad or charitable organization; a lost security or utility payment bond;

(E) Becoming surety on, or guaranteeing the performance of, any lawful contract, not specifically provided for in this paragraph, but does not include becoming surety on, or guaranteeing the performance of:

(i) any insurance contract except as authorized pursuant to section one thousand one hundred fourteen of this article; or

(ii) any contract, if becoming surety on, or guaranteeing the performance of that contract, would constitute:

a. mortgage guaranty insurance as defined in subsection (a) of section six thousand five hundred one of this chapter;

b. financial guaranty insurance as defined in subsection (a) of section six thousand nine hundred one of this chapter; or

c. service contract reimbursement insurance as defined in paragraph twenty-eight of this subsection;

(F) Becoming surety on, or guaranteeing the performance of, bonds and undertakings required or permitted in all judicial proceedings or otherwise by law allowed, including surety bonds accepted by states and municipal authorities in lieu of deposits as security for the performance of insurance contracts;

(G) Becoming surety on, or guaranteeing the performance of, any agreement for the lease or rental of non-residential real property or tangible personal property, provided that the obligation of the insurer shall not exceed a period of five years, and the bond is not issued directly or indirectly in connection with the sale of securities, a pooling of financial assets or a credit default swap as defined by article sixty-nine of this chapter;

(H) Becoming surety on, or guaranteeing the performance of, a contract of indebtedness or other monetary obligation where: (i) the aggregate gross

principal, interest, and other amounts of indebtedness or other monetary obligations of any obligor whose obligations are guaranteed by the insurer under all bonds issued to that obligor pursuant to this subparagraph by the insurer does not exceed ten million dollars; and (ii) the bond is not issued directly or indirectly in connection with the sale of securities, a pooling of financial assets, or a credit default swap as defined by article sixty-nine of this chapter; and (iii) the bond by its terms terminates upon any sale or other transfer of the insured obligation in connection with the sale of securities, a pooling of financial assets, or a credit default swap as defined by article sixty-nine of this chapter; and

(I) A depository bond that insures deposits in financial institutions to the extent of the excess over the amount insured by the Federal Deposit Insurance Corporation.

- (25) “Financial guaranty insurance,” means the kind of insurance defined in paragraph one of Section 6901(a) of the Insurance Law of the State of New York., as follows:

Subparagraph (a)(1) of Section 6901 of the Insurance Law of the State of New York defines “financial guaranty insurance” as follows:

- (a)(1) a surety bond, an insurance policy or, when issued by an insurer or any person doing an insurance business as defined in paragraph one of subsection (b) of section one thousand one hundred one of this chapter, an indemnity contract, and any guaranty similar to the foregoing types, under which loss is payable, upon proof of occurrence of financial loss, to an insured claimant, obligee or indemnitee as a result of any of the following events:

(A) failure of any obligor on or issuer of any debt instrument or other monetary obligation (including equity securities guaranteed under a surety bond, insurance policy or indemnity contract) to pay when due to be paid by the obligor or scheduled at the time insured to be received by the holder of the obligation, principal, interest, premium, dividend or purchase price of or on, or other amounts due or payable with respect to, such instrument or obligation, when such failure is the result of a financial default or insolvency or, provided that such payment source is investment grade, any other failure to make payment, regardless of whether such obligation is incurred directly or as guarantor by or on behalf of another obligor that has also defaulted;

(B) changes in the levels of interest rates, whether short or long term or the differential in interest rates between various markets or products;

(C) changes in the rate of exchange of currency;

(D) changes in the value of specific assets or commodities, financial or commodity indices, or price levels in general; or

(E) other events which the superintendent determines are substantially similar to any of the foregoing.

as such paragraphs and provisions of the Insurance Law of the State of New York may be hereafter amended or substituted; and such other kind or kinds of business to the extent necessarily or properly incidental to the kind or kinds of insurance business which the corporation is authorized to do.

SECTION 2. Limitations on General Purposes. The corporation will only insure, under the financial guaranty insurance line of business and pursuant to underwriting guidelines approved by the Board of Directors, municipal bonds, as defined in Section 6901(o) of the New York Insurance Law.

SECTION 3. Incidental Powers. The corporation shall also have all other rights, powers, and privileges now or hereafter authorized or granted by the Insurance Law of the State of New York or any other law or laws of the State of New York to mutual property and casualty insurance corporations having the power to do the kind or kinds of business hereinabove referred to and any and all other rights, powers, and privileges of a corporation now or hereafter granted by the laws of the State of New York and not prohibited to such mutual property and casualty insurance companies.

SECTION 4. Additional Business Activities. The organization of any subsidiary by the corporation (i) must be approved by the Superintendent in accordance with the Insurance Law of the State of New York and (ii) must be approved by the Board of Directors.

ARTICLE IV

MANNER OF EXERCISING CORPORATE POWERS

The manner in which the corporate powers of the corporation shall be exercised are through a Board of Directors, and through such officers, employees and agents as such Board shall empower.

ARTICLE V

MEMBERSHIP

SECTION 1. Non-assessable Policies. The corporation shall only issue policies without contingent mutual liability of the policyholder for assessment.

SECTION 2. Voting Power. Every member shall have the right to such number of votes at every meeting of the members as shall be determined in accordance with the By-laws.

ARTICLE VI

DIRECTORS

SECTION 1. Number of Directors. The number of Directors of the corporation shall be seven (except for vacancies temporarily unfilled).

SECTION 2. Meetings. The Board of Directors of the corporation shall hold regular meetings at least four times in each calendar year. At least one of such meetings shall be held within the State of New York and the other meetings may be held elsewhere. The Annual Meeting of the members of the corporation shall be held on the fourth Tuesday of April of each

year, beginning in 2013, or if such day is a holiday, on the next succeeding business day, for the purpose of electing Directors and for the transaction of such other business as may properly be brought before the meeting.

SECTION 3. Election of Directors. Subject to the provisions of Article VIII, Directors shall be elected at each Annual Meeting in accordance with the By-laws, with the Directors so elected to take office immediately upon election and shall hold office until the next Annual Meeting of the members and until their successors shall be elected, unless they die, resign or are otherwise removed before the conclusion of the term. Directors shall be elected by a plurality of the number of votes cast at the meeting. At any time after the first Annual Meeting, the Directors may be divided into not exceeding three groups as nearly equal as possible, and thereafter the Directors in one group only or their successors shall be elected annually as provided in the By-laws.

SECTION 4. Vacancy of the Board of Directors. Subject to the provisions of Article VIII, whenever any vacancy shall occur in the Board of Directors by death, resignation, removal, or otherwise, the remaining members of the Board, at a meeting called for that purpose, or at any regular meeting shall elect a Director or Directors to fill the vacancy or vacancies thus occasioned, and each Director so elected shall hold office for the unexpired term of the Director whose place the individual has taken. The remaining Board members may fill a vacancy by a vote of the Directors then in office even though less than a quorum, or by a sole remaining Director.

SECTION 5. Qualifications of Directors. The majority of the Directors of the corporation shall at all times be citizens and residents of the United States. Not less than one of

the Directors, or such other number as the Insurance Law of the State of New York may be hereafter amended to permit, shall be residents of the State of New York. Each Director shall be at least eighteen years of age. All except four of the Directors, elected after the organization of the corporation is completed and it has been licensed to issue insurance policies, must be members of the corporation or officers of member corporations.

SECTION 6. Voting by Directors. A two thirds (66.66%) majority of Directors that would be eligible to vote on the applicable matter if all such Directors were in attendance shall be required to approve (i) the removal or replacement of either the President or the Secretary of the corporation as an officer or the director of the corporation, (ii) amendments to this Charter, (iii) amendments to the By-laws of the corporation, (iv) a call for a special meeting of the members, (v) the filing of newly created directorships and vacancies occurring in the Board of Directors, (vi) the underwriting guidelines referred to in Section 2(a) of Article III hereof, (vii) the organization of any subsidiary by the corporation or (viii) the conduct of any kind or kinds of business, whether directly or through subsidiaries, other than those specified in Section 1 of Article III hereof (as limited by Section 2(a) of Article III hereof).

SECTION 7. Personal Liability. No Director shall be personally liable to the corporation or any of its members for damages for any breach of duty as a Director; provided however, that the foregoing provision shall not eliminate or limit the liability of a Director if a judgment or other final adjudication adverse to such Director establishes that such Director's acts or omissions were in bad faith or involved intentional misconduct or any violation of the Insurance Law of the State of New York or a knowing violation of any other law or that such

Director personally gained in fact a financial profit or other advantage to which such Director was not legally entitled.

ARTICLE VII

DURATION

The duration of the corporate existence of the corporation shall be perpetual.

ARTICLE VIII

OFFICERS

The corporation shall have such officers as are provided for in the By-laws, to be elected by the Board of Directors of such corporation. At least one principal officer shall be a Director, but the number of officers and salaried employees of the corporation who are Directors shall at all times be less than a quorum of the Board of Directors.

ARTICLE IX

AMENDMENTS

This Charter or provisions thereof may be amended at any time in accordance with Article VI, Section 6 hereof and as otherwise provided in Sections 1206 and 1208 of the Insurance Law of the State of New York as the same may be amended from time to time.