

EXHIBIT A

BY-LAWS

OF

BUILD AMERICA MUTUAL ASSURANCE COMPANY

ARTICLE I

Membership

Section 1.1 Members. The members of the Corporation shall be determined as follows:

- (a) with regards to insurance issued to insure municipal bonds (as defined in Section 6901(o) of the New York Insurance Law), the member shall be the entity which is the obligor for the insured obligations; provided, further, that such entity shall be the member, regardless of the person named in such policy as the policyholder and regardless of whether the insurance is issued in connection with the original issuance of such municipal bonds or to insure municipal bonds purchased in the secondary market;
- (b) with respect to surety bonds issued by the Corporation as a surety or guarantor, the member shall be the entity which is the principal under the bond, and not the obligee; and
- (c) when any member ceases to have outstanding obligations insured by the Corporation, membership in the Corporation shall cease.

Section 1.2 Voting Rights and Proxies. At any regular or special meeting of members, unless otherwise provided in the Charter, each member shall be entitled to cast at least

one vote but no more than ten votes, with the number of votes to be determined in accordance with this Section 1.2. The highest aggregate principal amount of all outstanding obligations of any member which are insured by the Corporation as of the record date shall be the threshold amount for the purposes of determining the voting rights of members at such meeting (the “Threshold Amount”). Any member for which the principal amount of such outstanding obligations is equal to the Threshold Amount shall have ten votes. Any member for which the principal amount of such outstanding obligations is less than the Threshold Amount shall have the number of votes determined by (i) dividing such principal amount by the Threshold Amount, (ii) multiplying such quotient by ten and (iii) rounding the result up or down to the nearest whole number, or the next highest whole number in the case of a remainder exactly equal to one-half (1/2); provided, however, that if such result would be less than one, the member shall have one vote. In the call for said meeting, the Secretary shall notify the members of the Threshold Amount. A member may vote either in person or by proxy, provided that such proxy is filed with the secretary of the Corporation at least three days before the date of the meeting. A proxy executed by a member corporation shall be recognized if signed by its president, vice president, treasurer, assistant treasurer, secretary or assistant secretary or other appropriate official. The corporate seal shall be required when the laws governing proxies so provide. No proxy or power of attorney given by a member to vote at any meeting of the corporation shall be valid or effective after the next meeting.

Section 1.3 Membership Roll. A register or roll of the names and addresses of all members of the Corporation shall be maintained at all times in the principal office within the State of New York.

Section 1.4 Policies. The Corporation shall only issue non-assessable policies without the contingent mutual liability of the members for assessments.

Section 1.5 Member Contributions to Surplus. The Board of Directors shall have the authority to require contributions to the Corporation's surplus from members upon the purchase of insurance issued by the Corporation. Member contributions to the Corporation's surplus shall be non-refundable.

Section 1.6 Consequences of Default. Any member that is in default of its obligations under an insurance policy or surety bond issued by the Corporation on its behalf, or in default under the related insurance agreement, shall remain a member of the Corporation but, until the default is cured, shall not be entitled to the economic benefits of membership, including the right to share in any dividend or other distribution paid by the Corporation; provided that claims made as to a member that is in default of its obligations under an insurance policy or surety bond issued by the Corporation on its behalf, or in default under the related insurance agreement, shall be paid by the Corporation notwithstanding such default.

ARTICLE II

Meetings of Members

Section 2.1 Annual Meetings. An annual meeting of members shall be held for the election of directors and for the transaction of such other business as may come before such meeting on the fourth Tuesday of April of each year, or if such day is a holiday, on the next succeeding business day. If a sufficient number of directors to conduct the business of the Corporation is not elected within one month of the date designated above for the election of such directors at the Annual Meeting, the directors shall call a special meeting of the members for the purpose of electing directors. If such special meeting of the members is not called by the

directors within two weeks after the expiration of such period, or if such special meeting is called but there is a failure to elect such directors for a period of two months after the expiration of such period, the holders of ten percent of the member votes to be cast in an election of directors may, in writing, demand a special meeting for the election of directors specifying the date and month thereof, which shall not be less than sixty nor more than ninety days from the date of such written demand. The Secretary of the Corporation upon receiving the written demand shall promptly give notice of such meeting, or if he or she fails to do so within five business days thereafter, any member signing such demand may give such notice. At any such meeting called on demand of members, notwithstanding Section 2.5, the members attending, in person or by proxy, and entitled to vote in an election of directors, shall constitute a quorum for the purpose of electing directors, but not for the transaction of any other business.

Section 2.2 Special Meetings. Special meetings of members for any purpose or purposes, unless otherwise prescribed by law or by the Charter, may be called at such date, time and place, either within or without the State of New York, as specified by the Board of Directors. Business transacted at any special meeting of members shall be limited to the purposes stated in the notice of the meeting.

Section 2.3 Notice of Meetings. Written notice of annual or special meetings stating the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, and, unless it is the Annual Meeting, an indication that it is being issued by or at the direction of the person or persons calling the meeting, shall be given not less than ten nor more than sixty days before the date of the meeting to each member entitled to vote at such meeting.

Section 2.4 Adjournments. Any annual or special meeting of members may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Any business which might have been transacted at the original meeting may be transacted at the adjourned meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member of record entitled to vote at the meeting.

Section 2.5 Quorum. Except where otherwise provided by law or the Charter or these by-laws, the holders of five percent (5%) of the votes entitled to be cast at a meeting of members shall constitute a quorum at such meeting. In the absence of a quorum the members so present may, by majority vote, adjourn the meeting from time to time in the manner provided by Section 2.4 of these by-laws until a quorum shall be present.

Section 2.6 Organization. Meetings of members shall be presided over by the Chairman, or in his or her absence by the Vice Chairman, or in his or her absence by the President, or in his or her absence by a Managing Director, or in his or her absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or, in the absence of such designation, by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.7 Fixing Date for Determination of Members of Record. In order that the Corporation may determine the members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or to express consent to or dissent from any proposal in

writing without a meeting, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to the taking of any other action. If no record date is fixed: (1) the record date for determining members entitled to notice of or to vote at a meeting of members shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, the day on which the meeting is held; and (2) the record date for determining members for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of members of record entitled to notice of or to vote at a meeting of members shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE III

Board of Directors

Section 3.1 Number and Qualifications of Directors. The Board of Directors shall consist of seven directors. At all times, the majority of directors shall be citizens and residents of the United States and not less than one thereof shall be a resident of the State of New York. No director shall be less than eighteen years of age. In the case of directors elected after the organization of the Corporation is completed and it has been licensed to issue insurance policies, all except four must be members of the Corporation or officers of member corporations.

Section 3.2 Election. The directors shall be divided into three classes as nearly equal in number as possible at the first regular meeting of the Board of Directors following the first annual meeting of the members. The terms of office of the directors initially classified shall be as follows: the term of the first class shall expire at the next annual meeting, the term of the

second class shall expire at the second succeeding annual meeting, and the term of the third class shall expire at the third succeeding annual meeting. At each annual meeting after such initial classification, directors to replace those whose terms expire at such annual meeting shall be elected by plurality vote to hold office until the third succeeding annual meeting. Any newly created directorships or any decrease in directorships shall be so apportioned by the Board of Directors among the classes as to make all classes as nearly equal in number as possible.

Section 3.3 Resignation; Removal; Vacancies. Any director may resign at any time upon written notice to the Corporation. The members by a majority vote at a meeting may remove any director solely with cause. The Board of Directors at a meeting may fill any newly created directorships and any vacancy occurring in the Board of Directors. Each director so elected shall hold office until the annual meeting of members at which his or her term expires or until his or her successor is elected and qualified or until his or her earlier resignation or removal. If there should be no remaining directors, vacancies shall be filled by the members.

Section 3.4 Powers of Directors. The business and affairs of the Corporation shall be managed by its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Charter of the Corporation or by these by-laws directed or required to be exercised or done by the members, including, without limitation, the creation of one or more separate accounts and adoption of rules and regulations providing for the operation and management of any such separate account by a board, committee or other body selected and authorized by such rules and regulations and the provisions of the Charter of the Corporation.

Section 3.5 Regular Meetings. Regular meetings of the Board of Directors must be held 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 at such time and such place within or without the State of New York as the Board of Directors may from time to time determine.

Section 3.6 Special Meetings. Special meetings of the Board of Directors may be called at such time and such place within or without the State of New York by the Chairman, the Vice Chairman, the President, the Secretary or by any two members of the Board of Directors. Reasonable notice of the meeting shall be given by the person or persons calling the meeting.

Section 3.7 Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the entire Board of Directors shall constitute a quorum for the transaction of business. Except where otherwise provided by law, the Charter or these by-laws, the vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board of Directors.

Section 3.8 Organization. Meetings of the Board of Directors shall be presided over by the Chairman, or in his or her absence by the Vice Chairman, or in his or her absence by the President, or in his or her absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 3.9 Action Without a Meeting. Unless otherwise restricted by the Charter or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or all regular members of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the

Board or committee. Any action without a meeting of the board shall not be in lieu of a regular scheduled meeting.

Section 3.10 Audit Committee. The Board of Directors shall establish an audit committee which consists solely of directors and shall include such number of independent members equal to or greater than the number of independent directors required by N.Y. Comp. Codes R. & Regs. tit. 11, §89.12 or any successor thereto. Such committee shall consist of a minimum of three (3) members, and the Board of Directors shall designate a Chairman thereof.

Section 3.11 Other Committees; Authority. The Board of Directors may by resolution passed by a majority of the entire Board of Directors designate one or more additional committees. Each committee of the Board of Directors shall consist of one or more directors of the Corporation. The Board of Directors shall designate a Chair of each such committee. Action shall be taken by a majority vote of committee members present. A majority of the committee members of any such committee shall constitute a quorum of such committee. The Board of Directors may designate one or more directors as alternate committee members of any committee, who may replace any absent or disqualified regular committee member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have power or authority to exercise any authority prohibited by Section 712 of the New York Business Corporation Law or other applicable statute.

Section 3.12 Committee Rules. Except as these by-laws or the Board of Directors otherwise provides, each committee designated by the Board of Directors may make,

alter and repeal such committee's charter and/or other rules for the conduct of its business. In the absence of such charter or other rules, each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors.

Section 3.13 Compensation. The compensation of the members of the Board of Directors shall be authorized by the majority vote of the Board of Directors. The directors may be paid their reasonable and customary expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors, a stated salary as director or a combination thereof. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

ARTICLE IV

Officers

Section 4.1 Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall choose a President, a Secretary, an Assistant Secretary, a Treasurer, one or more Managing Directors and such other officers as it shall deem necessary, provided that there shall be no more than two Managing Directors. The directors shall choose the Managing Directors from among the directors, but the number of officers and salaried employees who are directors shall at all times be less than a quorum of the Board of Directors. The Board of Directors may confer more than one title on any officer and may appoint co-officers to any one or more officer positions. Each such officer shall hold office

until the first meeting of the Board of Directors after the annual meeting of members next succeeding his or her election, and until his or her successor is elected or appointed and qualified or until his or her earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation. Except for the offices of President and Secretary any number of offices may be held by the same person. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 4.2 Compensation. The remuneration of all officers of the Corporation shall be determined by the Board of Directors or a committee thereof.

Section 4.3 Chairman. The Board of Directors may choose a Chairman from among its directors. The Chairman shall preside at all meetings of the Board of Directors and of the members and shall have and may exercise such other powers as the Board of Directors may prescribe from time to time.

Section 4.4 Vice Chairman. The Board of Directors may choose a Vice Chairman from among its directors. In the absence of the Chairman, the Vice Chairman shall preside at all meetings of the Board of Directors and of the members and shall have and may exercise such other powers as the Board of Directors may prescribe from time to time.

Section 4.5 Managing Directors. The Board of Directors will choose the Managing Directors from among its directors. The Managing Directors will be responsible for implementing decisions of the Board of Directors as to the Corporation's strategy and operations and supervising and directing the activities of the Corporation's management and employees.

Section 4.6 President. In the absence of the Chairman and Vice Chairman, the President shall preside at all meetings of the Board of Directors and of the members and shall be the chief executive officer and shall have general charge and supervision of the business of the Corporation. The President shall perform all duties incident to the office of president of a corporation and shall have and may exercise such other powers as the Board of Directors may prescribe from time to time.

Section 4.7 Vice President. The Vice President or Vice Presidents, at the request of the President or in his or her absence or during his or her inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. If there be more than one Vice President, the Board of Directors may give any of them such further designation as it considers desirable and may determine which one or more of the Vice Presidents shall perform any of such duties or exercise any of such functions; or if such determination is not made by the Board of Directors, the President may make such determination; otherwise any of the Vice Presidents may perform any of such duties or exercise any of such functions. The Vice President or Vice Presidents shall have such other powers and perform such other duties as may be assigned by the Board of Directors or the President.

Section 4.8 Secretary; Assistant Secretary. The Secretary or Assistant Secretary shall record all proceedings of meetings of the members and Board of Directors and any standing committees thereof in a book to be kept for that purpose. The Secretary or Assistant Secretary shall see that all notices are duly given in accordance with the provisions of these by-laws or as required by law, shall be custodian of the records of the Corporation, and the corporate seal, and shall see that the corporate seal is affixed to all documents the execution of which, on behalf of the Corporation, under its seal, is duly authorized, and when so affixed may attest the same, and,

in general, shall perform all duties incident to the office of secretary of a corporation and such other duties as may be assigned by the Board of Directors or the President.

Section 4.9 Treasurer. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit or cause to be deposited, in the name of the Corporation, all monies or other valuable effects in such banks, trust companies or other depositories as shall from time to time be selected by or under authority of the Board of Directors; if required by the Board of Directors, he or she shall give a bond for the faithful discharge of his or her duties, with such surety or sureties as the Board of Directors may determine; he or she shall keep or cause to be kept full and accurate records of all receipts and disbursements in books of the Corporation and shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Corporation; and in general he or she shall perform all the duties incident to the office of treasurer of a corporation, and such other duties as may be assigned by the Board of Directors or the President and as may be provided by law.

ARTICLE V

Miscellaneous

Section 5.1 Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

Section 5.2 Seal. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 5.3 Manner of Giving Notice. Whenever notice is required to be given to any director or member under the provisions of the law, the Charter or these by-laws, such

notice shall be given in writing (i) by personal delivery, (ii) by mail, addressed to such director or member at his or her address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given when deposited in the United States mail or (iii) by electronic transmission to the electronic mail address of the director or member as supplied by the director or member to the Secretary of the Corporation or as otherwise directed pursuant to the director or member's authorization or instructions.

Section 5.4 Waiver of Notice of Meetings of Directors and Committees.

Whenever any notice is required to be given under the provisions of the law, the Charter or these by-laws to the directors, a written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a director at a meeting of directors or a committee of the Board of Directors shall constitute a waiver of notice of such meeting, except when such director attends a meeting and protests, prior thereto or at its commencement, the lack of notice to him. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the directors or members of a committee of the Board of Directors need be specified in any written waiver of notice.

Section 5.5 Telephonic Meetings Permitted. The Board of Directors, or any committee designated by the Board of Directors, may meet by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 5.6 Indemnification of Directors, Officers and Employees. Any person made, or threatened to be made, a party to an action or proceeding (including, without limitation, one by or in the right of the Corporation to procure a judgment in its favor), whether civil,

criminal, administrative or investigative, including an appeal therein, by reason of the fact that he or she, his or her testator or testatrix or intestate then is or was a director, officer or employee of the Corporation, or then serves or has served any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, in any capacity at the request of the Corporation, shall be indemnified by the Corporation against expenses, judgments, fines, attorney's fees, and amounts paid in settlement to the full extent that officers, directors and employees are permitted to be indemnified by the laws of the State of New York. The provisions of this section shall not adversely affect any right to indemnification which any person may have apart from the provisions of this section. The Corporation may also provide for indemnification and advancement of expenses to any director or officer to the extent provided in a resolution of members, resolution of directors or an agreement providing for such indemnification.

Section 5.7 Conflicts of Interest. The Corporation shall not enter into any agreement with any of the officers or directors, or with any firm or corporation in which any such officer or director is pecuniarily interested directly or indirectly, whereby the Corporation agrees to pay, for the acquisition of business, any commission or other compensation which under the agreement is increased or diminished by the amount of such business or by the Corporation's earnings on such business. No director, officer or employee of the Corporation shall receive, in addition to his or her fixed salary or compensation, any money or valuable thing, either directly or indirectly, or through any substantial interest in any other corporation or business unit, for negotiating, procuring, recommending or aiding in any purchase or sale of property, or loan, made by the Corporation or any affiliate or subsidiary thereof; nor shall he or she be pecuniarily interested, either as principal, co-principal, agent or beneficiary, either directly

or indirectly, or through any substantial interest in any other corporation or business unit, in any such purchase, sale or loan.

Section 5.8 Director Interests. At the first meeting of the Board of Directors following its licensing (and the first annual regular meeting of the Board of Directors thereafter) and any meeting thereafter that is the first to occur after (i) any election of directors or (ii) the appointment of a director to fill a vacancy until elections are next held, there shall be an agenda item for disclosure of material facts as to common directorship, officership or financial interest regarding HG Re Ltd. and its affiliates, and the disclosure shall be recorded in the minutes of the proceedings of the Board of Directors. The board shall record in its minutes any material facts that are disclosed to the board or are otherwise raised during a board meeting as to (i) a director's interest in a contract or transaction before the board or (ii) any common directorship, officership or financial interest relating to a contract or transact before the board.

Section 5.9 Management Expenses. The Corporation shall not enter into any agreement under which any person, partnership or corporation agrees to pay all or a portion of the expenses of management of the Corporation in consideration of an agreement to pay him either commissions on premiums due the Corporation or any other compensation for his services.

Section 5.10 Attorney-in-fact. A President, a Managing Director or a Vice President in a written instrument attested by a Secretary or an Assistant Secretary may appoint any person attorney-in-fact with authority to execute surety bonds on behalf of the Corporation and other formal underwriting contracts in reference thereto and attach the corporate seal. Any such officers may revoke the powers granted to any attorney-in-fact.

Section 5.11 Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books,

may be kept on information storage devices, provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

Section 5.12 Amendment of By-Laws. These by-laws may only be amended by a majority vote of all members present in person or by proxy at any annual meeting or other stated or special meeting called for such purpose, except that the Board of Directors may amend the by-laws as to any provisions which do not impair the members' rights or enlarge their obligations under insurance policies issued by the Corporation. No by-law or amendment or repeal of a by-law shall be effective until approved by the superintendent of the State of New York Department of Financial Services.

Section 5.13 Execution of Instruments. Except as otherwise provided in these by-laws, all deeds, mortgages, bonds, contracts, policies, reports, documents and other instruments may be executed on behalf of the Corporation by the President, a Managing Director or any Vice President or by any other officer or other person or persons authorized to act in such manner, whether by law, the Charter, these by-laws, or any general or special authorization of the Board of Directors. The corporate seal may be affixed and attested by the Secretary or other officer or person or persons authorized by the Board of Directors.

Section 5.14 Facsimile Signatures. Any policy, insurance contract, annuity contract, contract of deposit, premium receipt, dividend notice or endorsement or amendment of any such instrument may be signed by means of an engraved, lithographed or otherwise mechanically produced facsimile of the signature of the President, Secretary or other person or persons as may be designated for this purpose by resolution of the Board of Directors, and the execution by the Corporation of any such instrument so signed shall be as valid and binding upon

the Corporation as though manual signatures of the authorized officers had been used in the signing thereof.

Section 5.15 Disbursement of Funds. All checks, drafts or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 5.16 Voting Stock in Other Corporations. Unless otherwise ordered by the Board of Directors, the Chairman, the President, any Managing Director or any Vice President shall have the full power and authority to attend and act and vote at any meeting of shareholders of any corporation in which the Corporation may hold stock, and the Chairman, the President, any Managing Director or any Vice President of the Corporation may execute proxies authorizing designated persons to vote shares of stock of other corporations standing in the name of the Corporation.