

**PLAN OF CONSERVATION & LIQUIDATION FOR  
CASTLEPOINT NATIONAL INSURANCE COMPANY**

PROMULGATED & ADOPTED BY

DAVID JONES  
INSURANCE COMMISSIONER, STATE OF CALIFORNIA,  
IN HIS CAPACITY AS STATUTORY CONSERVATOR OF  
CASTLEPOINT NATIONAL INSURANCE COMPANY

DATED: JULY 28, 2016

EFFECTIVE DATE: \_\_\_\_\_

**PLAN OF CONSERVATION & LIQUIDATION FOR  
CASTLEPOINT NATIONAL INSURANCE COMPANY**

This Plan of Conservation and Liquidation for CastlePoint National Insurance Company (the “Plan”), dated July 28, 2016, is made and executed by California Insurance Commissioner Dave Jones (the “Conservator” or the “Commissioner”), acting in his capacity as the statutory conservator of CastlePoint National Insurance Company, a California corporation in statutory conservation under California Insurance Code Sections 1010 – 1062, and successor by merger with Tower Insurance Company of New York, Tower National Insurance Company, Hermitage Insurance Company, CastlePoint Florida Insurance Company, North East Insurance Company, Massachusetts Homeland Insurance Company, Preserver Insurance Company, York Insurance Company of Maine, and CastlePoint Insurance Company (“CastlePoint”).

**RECITALS**

*CastlePoint National Insurance Company*

A. On July 28, 2016, the Insurance Commissioner filed a verified application in the Superior Court of San Francisco County (the “Court”) pursuant to Insurance Code section 1011 to place CastlePoint into statutory conservation. The proceeding concerning the conservation of CastlePoint is entitled *Insurance Commissioner of the State of California v. CastlePoint National Insurance Company*, San Francisco Superior Court Case No. [\_\_\_\_\_] (the “Conservation Proceeding”).

B. The Court granted the Commissioner’s application and issued its *Order Appointing Commissioner as Conservator and Restraining Orders* (“Conservation Order”). Pursuant to the Conservation Order, the Commissioner was formally appointed as the statutory Conservator of CastlePoint.

C. At the time of the commencement of the Conservation Proceeding, CastlePoint was a wholly owned subsidiary of Specialty Underwriters Alliance, Inc. (“SUAI”), which in turn was a member of a multi-entity insurance holding company group under the common control of Tower Group International, Ltd. (“TGI”). At all times prior to the Effective Date, SUAI was the sole shareholder of all issued and outstanding shares of CastlePoint stock and no direct changes in control over CastlePoint had occurred.

***CastlePoint’s Restructuring Under Internal Revenue Code Section 382(l)(5)***

D. Prior to the commencement of the Conservation Proceeding, CastlePoint and its predecessors by merger entered into various tax sharing and/or tax allocation agreements (the “Tax Sharing Agreements”) pursuant to which CastlePoint became a member of a consolidated taxpayer group for federal tax compliance purposes, the lead taxpayer of which was Condor 2 Corporation, a Delaware corporation (“Condor” and the “Tax Group”). All participating affiliates and subsidiaries of CastlePoint ceded to Condor and Condor assumed, all authority and responsibility to file annual consolidated federal income tax returns on behalf of all members of the Tax Group. In addition, by joining the Tax Group, all tax attributes of CastlePoint, including all of CastlePoint’s net operating loss carryforwards (“NOLs”), became available to be utilized by all other members of the Tax Group.

E. CastlePoint has been, and will remain throughout the statutory conservation and liquidation process, a separate entity recognized for federal income tax purposes until such time as CastlePoint is dissolved by order of the Court. CastlePoint’s conservation and liquidation process may give rise to potentially taxable operating income from, among other things, gains on invested assets, litigation recoveries and/or reductions of financial statement reserves for CastlePoint’s priority class 2 liabilities (i.e., claim liabilities owing to insurance policyholders

and/or injured worker claimants). The expectation is that any such operating income that accrues during the course of CastlePoint's liquidation may be offset by carrying forward NOLs from prior years. From September 15, 2014 through December 31, 2015, CastlePoint's operations have generated hundreds of millions of dollars of NOLs and may generate additional NOLs up to the Effective Date (collectively, the "CastlePoint NOLs"). The CastlePoint NOLs may, under this Plan, be available to offset future operating income, thereby avoiding federal income tax liability on such operating income.

F. In order for the Commissioner to properly manage CastlePoint's federal income tax exposure, the Conservator has determined that it is essential to implement this Plan to provide for: (i) the definitive deconsolidation of CastlePoint from the Tax Group; (ii) the preservation, pursuant to section 382(l)(5) of the Internal Revenue Code, of the CastlePoint NOLs for utilization by CastlePoint following its deconsolidation from the Tax Group; and (iii) the proper priority classification of any federal income tax liability accruing during the liquidation of CastlePoint.

***CastlePoint's Post-Restructuring Agreements with the Karfunkel and AmTrust Parties***

G. On July 28, 2016, the Conservator, for himself and on behalf of CastlePoint, entered into that certain Conservation Agreement ("Conservation Agreement") between and among AmTrust North America, Inc. ("ANA"), National General Management Corp. ("National General"), Technology Insurance Company, Inc. ("Technology"), Integon National Insurance Company ("Integon"), CastlePoint Reinsurance Company Ltd. ("CastlePoint Re"); and the Michael Karfunkel Family 2005 Trust, members of the Karfunkel family and Leah Karfunkel in her capacity as trustee thereof and not individually (collectively, the "Karfunkel Trust" and collectively with ANA, National General, Technology, Integon and CastlePoint Re, the "Karfunkel and AmTrust Parties").

H. The Conservation Agreement provides for certain transactions and agreements to be closed immediately after the effectiveness of CastlePoint’s restructuring under this Plan, which transactions and agreements provide for, among other things, (a) an infusion of up to \$200 million into CastlePoint, (b) the commutation of certain reinsurance agreements between the parties, (c) the assignment of certain fully reinsured insurance policies issued by CastlePoint or its predecessors by merger from and after September 15, 2014, and (d) agreements for the run-off administration of CastlePoint’s policies and liabilities, all as expressly set forth in the Conservation Agreement.

I. The Conservator has determined that the transactions and terms provided for under this Plan, including CastlePoint’s restructuring pursuant to Internal Revenue Code section 382(l)(5) and the transactions enumerated in the Conservation Agreement, are fair and equitable to, and in the best interests of, the policyholders and creditors of CastlePoint, and all other interested parties.

Now, therefore, subject to and conditioned upon the approval of the Court, the Conservator hereby establishes a Plan for the conservation and eventual liquidation of CastlePoint, as follows:

## ARTICLE 1

### DEFINITIONS

In this Plan, unless otherwise specifically provided or the context so requires, the terms listed below shall have the following definitions and shall include the plural as well as the singular:

“CastlePoint” has the meaning set forth in the first paragraph of this Plan.

“CastlePoint NOLs” has the meaning set forth in Recital E of this Plan.

“CastlePoint Tax Group” has the meaning set forth in Section 2.4 of this Plan.

“Conservation Agreement” has the meaning set forth in Recital G of this Plan.

“Conservation Proceeding” has the meaning set forth in Recital A of this Plan.

“Court” has the meaning set forth in Recital A of this Plan.

“Claims” means all claims that are properly filed and entitled to allowance by the Conservator pursuant to the provisions of the Insurance Liquidation Statute.

“CLO” means the Insurance Commissioner’s Conservation & Liquidation Office.

“Commissioner” has the meaning set forth in the first paragraph of this Plan.

“Conservator” has the meaning set forth in the first paragraph of this Plan.

“Effective Date” is the date set forth on the cover page of this Plan.

“Insurance Code” means the California Insurance Code, including the regulations thereunder, in effect from time to time.

“Insurance Liquidation Statute” means sections 1010 to 1062, inclusive, of the Insurance Code, and any other provisions of the Insurance Code or other California Codes expressly applicable to the conservation, rehabilitation and/or liquidation of an insurance company.

“Internal Revenue Code” means the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

“New CastlePoint Stock” has the meaning set forth in Section 2.1 of this Plan.

“Order of Court” means an order of the Court (a) approving this Plan; and (b) authorizing the Conservator to implement and/or undertake all actions and transactions contemplated under this Plan.

“Person” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, public, governmental, judicial or regulatory authority or body or other entity.

“Plan” means, collectively, this plan of conservation and liquidation for CastlePoint, any motions and supporting documents filed by the Commissioner with the Court, the Order of Conservation, and any subsequent orders of the Court amending or supplementing the Order of Conservation.

“Tax Group” has the meaning set forth in Recital D of this Plan, the lead taxpayer of which from and after 2014 to the Effective Date was Condor 2 Corporation, Inc., EIN 46-2958445.

## ARTICLE 2

### DECONSOLIDATION OF CASTLEPOINT FROM THE TAX GROUP PURSUANT TO INTERNAL REVENUE CODE SECTION 382(L)(5)

Section 2.1. Cancellation and Reissuance of CastlePoint Stock. The Commissioner determined, and the Court has found and ordered in the Conservation Order, that CastlePoint is in a financial condition that makes its continuing operation hazardous to policyholders, creditors and the public. SUAI, in its capacity as the sole shareholder of CastlePoint, together with certain of its affiliates, has advised the Conservator of its determinations that (i) the current realizable assets of CastlePoint are not sufficient to pay in full the existing CastlePoint liabilities that fall into priority classes 1 through 7 of section 1033(a) of the Insurance Code, (ii) as a result SUAI’s CastlePoint stock is worthless, and (iii) SUAI or another person of which CastlePoint is a subsidiary desires to take a worthless stock deduction on account of its CastlePoint stock. Pursuant to the restraining orders set forth in the Conservation Order, SUAI is enjoined from taking such action without the consent and approval of the Conservator because such action may materially impair valuable tax attributes of CastlePoint by causing an ownership change for purposes of section 382 of the Internal Revenue Code. The Conservator has developed this Plan to protect CastlePoint’s policyholders and creditors by preserving CastlePoint’s NOLs and other

tax attributes while permitting SUAI and its affiliates to deconsolidate CastlePoint from the Tax Group. Accordingly, on the Effective Date, the Conservator shall effectuate a transfer of all the capital stock of CastlePoint to the Commissioner, in his capacity as the Trustee of the Trust, by cancelling all issued and outstanding shares of common stock of CastlePoint, and reissuing new stock (“New CastlePoint Stock”), consisting of all authorized shares of the corporation, to the Commissioner, in his capacity as the Trustee of the Trust. The Commissioner shall hold the New CastlePoint Stock for the benefit of the historical shareholders and creditors of CastlePoint and shall distribute any proceeds distributed on account thereof in accordance with the Trust Agreement. Such transfer shall be effected in a manner intended to comply with the provisions of section 382(l)(5) of the Internal Revenue Code.

Section 2.2. Deconsolidation as of the Effective Date. To resolve any doubt, CastlePoint shall be conclusively deemed for all purposes, including under all applicable provisions of the Internal Revenue Code and regulations of the United States Treasury promulgated thereunder, to have been deconsolidated from the Tax Group as of the Effective Date. Neither CastlePoint nor any other member of the Tax Group shall be severally liable for the consolidated federal income taxes of the Tax Group (or the federal income taxes of any member of the Tax Group) under Treasury Regulation section 1.1502-6 for any taxable year beginning after December 31, 2015.

Section 2.3. All NOLs and Other Tax Attributes Preserved. The entirety of the CastlePoint NOLs shall conclusively be deemed for all purposes, including federal income tax purposes, to have survived the cancellation and reissuance of CastlePoint’s stock, as contemplated under section 382(l)(5) of the Internal Revenue Code. The Conservator shall be

authorized to utilize and apply any such preserved NOLs on any federal income tax returns filed for CastlePoint or the Trust.

Section 2.4. Tax Compliance From and After the Effective Date. For taxable years commencing January 1, 2016, and subsequent years, the Conservator shall cause CastlePoint to file either stand-alone or consolidated federal income returns, as the Conservator deems appropriate in his sole discretion, including the items of income, gain, loss, deduction, and credit of CastlePoint and/or any subsidiaries of CastlePoint that may be properly includable in a consolidated federal income tax return (such subsidiaries, with CastlePoint, the “CastlePoint Tax Group”).

### ARTICLE 3

#### ESTABLISHMENT AND ADMINISTRATION OF SHAREHOLDER TRUST

Section 3.1. Establishment of Shareholder Trust. On the Effective Date, the Conservator shall establish the Shareholder Trust by executing the Trust Agreement, substantially in the form attached hereto as Exhibit A. The Conservator shall be the Trustee of the Trust, and shall be primarily charged with holding the New CastlePoint Stock for the benefit of all of CastlePoint’s allowed policyholders, claimants, creditors and historical shareholders, in such a manner as is intended to meet the requirements of section 382(1)(5) of the Internal Revenue Code.

Section 3.2. Optional Transfer of CastlePoint’s Residual Assets and Liabilities to Trust. At any time after the Effective Date, the Conservator may transfer or cause to be transferred to the Trust all then-extant assets and liabilities of CastlePoint, as authorized under section 1017(b) of the Insurance Code. In addition to holding the New CastlePoint Stock for the benefit of CastlePoint’s allowed creditors and historical shareholders, the Trust will also serve to (i) ensure that any of CastlePoint’s remaining assets, if and when transferred, are well managed

and that maximum value is realized from them in order to protect the rights and interests of policyholders and creditors; and (ii) facilitate the sale or other disposition of CastlePoint's corporate shell (the charter and all insurance licenses and/or certificates of authority), which sale shall be free of all of CastlePoint's liabilities, as authorized under section 1017(b) of the Insurance Code. In the event of such transfer of CastlePoint's assets and liabilities to the Trust, the assets held in the Trust will be available to pay all allowed claims against CastlePoint, but strictly in accordance with the priorities established by section 1033(a) of the Insurance Code. The Conservator may also direct that all amounts due and payable to CastlePoint, including without limitation all reinsurance receivables, be paid into the Trust.

Section 3.3. Administration of the Trust. The Commissioner shall administer the Trust for the benefit of CastlePoint's policyholders, creditors and historical shareholders and shall distribute the assets of the Trust consistent with the Insurance Code. The Commissioner shall operate the Trust and pay allowed claims in such fashion as to effectuate the priorities of payment set forth in Insurance Code section 1033(a).

Section 3.4. New CastlePoint Stock Subsequent Transfer Restrictions. To the extent the requirements of section 382(l)(5) of the Internal Revenue Code are otherwise met in connection with the transfer of the New CastlePoint Stock pursuant to this Plan, the New CastlePoint Stock may not be subsequently transferred in a transaction that would result in an ownership change of CastlePoint under section 382(l)(5)(D) of the Internal Revenue Code without the approval of the Commissioner or the Court. The Commissioner and the Trust may impose restrictions on the transfer of the New CastlePoint Stock as necessary to meet the limitations contained in section 382(l)(5)(D) of the Internal Revenue Code.

Section 3.5. Corporate Structure Following Establishment of Trust and Transfer of CastlePoint Stock. Upon establishment of the Trust and issuance of the New CastlePoint Stock, CastlePoint will be wholly owned by the Trust, which shall be administered by the Commissioner for the benefit of CastlePoint's historical shareholders and creditors.

#### ARTICLE 4

##### PRIORITY OF CLAIMS

Section 4.1. Claim Priorities. Except as provided for in Article 2 of this Plan, nothing in this Plan shall be construed to alter or modify the obligation of the Conservator to administer and pay any claims against CastlePoint strictly in compliance with the claim priority classes set forth in section 1033(a) of the Insurance Code, which provides for the payment of claims in the following priority:

Class 1: Expenses of Administration – All costs and expenses incurred by the Conservator in the course of administering the liquidation of CastlePoint.

Class 2: Policyholder Claims – All claims covered or payable under the terms of an insurance policy issued by CastlePoint. Class 2 includes claims of the California Insurance Guarantee Association and similar guarantee associations in other states based on the payment of CastlePoint's policyholder claims pursuant to applicable guarantee association statutes.

Class 3: Federal Priority Claims – All claims having preference by the laws of the United States, including federal income tax claims of the IRS. Claims for taxes on operating income related to or generated by fluctuations in CastlePoint's policyholder claim reserves during the course of CastlePoint's liquidation are included within Class 3 and shall be calculated and treated as specified in Section 4.3 of this Plan.

Class 4: Examination Fees – All fees owing to the California Department of Insurance on account of pre-conservation or pre-liquidation audits and financial examinations of CastlePoint.

Class 5: State Taxes – Taxes due to the State of California.

Class 6: California Priority Claims – All claims having preference under California law.

Class 7: CastlePoint Creditor Claims – All claims of creditors not included in Classes 1 through 6.

Class 8: Subordinated Creditor Claims – All claims based on certificates of contribution, surplus notes, or similar subordinated debt obligations, and premium refunds on assessable policies. CastlePoint has no known liabilities that fall within Class 8.

Class 9: Shareholder Equity Claims – All claims to the residue, if any, of the CastlePoint liquidation estate based on the ownership of CastlePoint's common stock. The sole member of Class 9 will be SUAI, as the holder of CastlePoint stock immediately prior to the Effective Date, it being understood that all claims of SUAI to the residue of the estate of CastlePoint (after satisfaction of the foregoing classes of claims) shall be allowed in the Conservation Proceeding.

Section 4.2. Rights of All Claimants And Creditors Fixed at Liquidation. Nothing in this Plan shall alter the application of Insurance Code section 1019 or the provisions or effect of a liquidation order entered by the Court with respect to CastlePoint, fixing the rights of all creditors as of date of entry of the Conservation Order (“Rights Fixed Date”).

Section 4.3. IRS Tax Claims Based On Policyholder Claim Reserve Adjustments: The Conservator is authorized to make periodic adjustments to CastlePoint’s financial statements to reflect changes in the stated reserves against CastlePoint’s policyholder claim liabilities. The reserves against CastlePoint’s policyholder claim liabilities constitutes the Conservator’s current estimate of the ultimate cost of CastlePoint’s liability on account of Class 2 policyholder claims that existed as of the Rights Fixed Date. Because CastlePoint’s Class 2 policyholder claim liabilities are paid over extended periods of time, the final ultimate value of claims within Class 2 will require reasonable estimation by the Conservator, in reliance on loss reserve studies prepared by a consulting actuary. Any claim of the IRS for taxes arising from operating income generated by reductions in CastlePoint’s stated policyholder loss reserves at any time from and after the Rights Fixed Date shall be allowed and paid, if at all, as priority Class 3 under section 1033(a)(3) of the Insurance Code, as such reductions constitute an updated estimate of class 2 liabilities incurred and existing as of the Rights Fixed Date. Thus, the Conservator has determined that the actual payment or distributions from the estate to the IRS of post-liquidation

taxes arising from operating income generated solely from reductions in stated policyholder loss reserves would constitute an unlawful preference of Class 3 (IRS tax claims and/or federal priority claims) over Class 2 (policyholder claims) in violation of section 1033(a) of the Insurance Code. The Conservator may grant the IRS an allowed Class 3 claim on account of such operating income, but no distribution may be made to the IRS until such time as all claimants within Class 2 have received distributions equal to 100% of the principal amount of their claims together with any post-conservation interest as is required to be paid pursuant to section 1033(a) of the Insurance Code. This Section 4.3 is declarative of and not a modification to the applicable provisions of the Insurance Code and the Insurance Liquidation Statute.

## ARTICLE 5

### CONSERVATION AGREEMENT

Section 5.1. Incorporation of Conservation Agreement. The provisions of the Conservation Agreement, in the form attached hereto and incorporated herein as Exhibit B, are incorporated into and made a part of this Plan. The obligations of the Parties to the Conservation Agreement to proceed with the transactions described in the Conservation Agreement are subject to the fulfillment, satisfaction or written waiver of each of the conditions precedent set forth in the Conservation Agreement.

Section 5.2. Timing of Closing of Conservation Agreement. The closing of the transactions described in the Conservation Agreement shall occur on a date to be determined among the Parties to the Conservation Agreement, provided, however, that such closing date shall be on a date after the Effective Date and the Conservator's completion of the actions set forth in Article 2 and Article 3 of this Plan.

## ARTICLE 6

### CONDITIONS PRECEDENT TO EFFECTIVE DATE

Section 6.1. Conditions Precedent to the Effective Date. Except as otherwise expressly provided herein, the obligations of the Conservator and/or CastlePoint to proceed with the transactions and actions described in this Plan are subject to the fulfillment, satisfaction or written waiver of each of the following conditions precedent:

Section 6.1.1. Approvals and Consents. The Court shall have issued its Approval Order, and the Commissioner and/or CastlePoint shall have received all other consents, approvals and certifications, in form and substance reasonably satisfactory to each of them, of the Court and any other third parties or government entities whose consent, approval or certification is required for the consummation or implementation of the transactions contemplated by this Plan.

Section 6.1.2. No Prohibition. There shall not have been any action taken, or any statute, regulation, judgment or order enacted, entered or issued which, directly or indirectly (i) prohibits or makes illegal the consummation of the transactions contemplated by this Plan, (ii) imposes any material conditions or limitations on the ability of CastlePoint, or the Conservator to exercise full rights under this Plan, or (iii) imposes any material conditions or limitations on CastlePoint or the Conservator on all or a material portion of the respective businesses or assets to be owned by them after the consummation of the transactions contemplated by this Plan.

Section 6.2. Termination. This Plan shall terminate upon the failure of any of the conditions precedent set forth in this Article 6 to have been satisfied on or prior the Effective Date, unless the Effective Date is extended by agreement with the Conservator and the Parties to the Conservation Agreement. In the event of the termination of this Plan, this Plan shall become

void and have no effect, and the Conservator shall proceed with the statutory conservation and liquidation of CastlePoint pursuant to the Conservation Order, the Insurance Liquidation Statute, and any liquidation order or other orders as may be entered by the Court. Notwithstanding the foregoing, the termination of this Plan shall not result in the termination of the Conservation Agreement, which is subject to termination solely in accordance with its terms pursuant to Section 8.4 thereof.

## ARTICLE 7

### LIQUIDATION OF CASTLEPOINT

Section 7.1. Application for Liquidation Order. At such time as the Conservator determines, in his sole discretion, the Conservator may file an application pursuant to section 1016 of the Insurance Code for entry of an order of liquidation for CastlePoint, provided, however, that in the event this Plan is approved by the Court and becomes effective, the Conservator's liquidation application shall be filed after the Effective Date and after the Closing of the Conservation Agreement. Notwithstanding anything to the contrary in this Plan or the Conservation Agreement, in the event this Plan is terminated pursuant to Article 6, the Conservator may file his liquidation application at any time.

## ARTICLE 8

### INDEMNIFICATION

Section 8.1. Indemnification From CastlePoint and the Trust. Pursuant to section 1035 of the Insurance Code, all costs and expenses of employing special deputy commissioners, clerks, and assistants appointed to carry out the Commissioner's obligations under the Insurance Liquidation Statute, and all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of CastlePoint, shall be paid out of the assets of CastlePoint. Accordingly, CastlePoint and the Trust (and not

the Commissioner) shall hold the Commissioner, including in his capacities as Conservator and as Trustee of the Trust, and all of the Commissioner's agents, clerks and assistants (collectively, the "Indemnified Parties"), harmless against, and pay, any and all damages, losses, obligations, liabilities, claims, actions or causes of action, encumbrances, costs and expenses (including, without limitation, reasonable attorneys' fees, interest and penalties) (collectively the "Claims"), as such Claims are suffered, sustained, incurred or required to be paid by the Indemnified Parties arising out of the implementation or execution of this Plan or the transactions contemplated by this Plan.

Section 8.2. Procedures. If a Claim is brought against an Indemnified Party, the Claim shall be presented to CastlePoint and/or the Trust, which entities shall assume the defense of such Claim with counsel satisfactory to the Indemnified Party, provided, however, that neither CastlePoint nor the Trust shall be liable to the Indemnified Party under this Article 8 for any fees of other counsel or any other expenses with respect to the defense of such Claim, in each case subsequently incurred by the Indemnified Party in connection with the defense of such Claim, other than reasonable costs of tendering the Claim.

## ARTICLE 9

### GENERAL PROVISIONS

Section 9.1. Expenses. All expenses incurred in connection with the authorization, negotiation, preparation, execution and performance of this Plan, including, without limitation, all fees and expenses of agents, representatives, attorneys, accountants and consultants, shall be paid from the assets of CastlePoint pursuant to section 1035 of the Insurance Code.

Section 9.2. Amendment. This Plan may be amended only in writing submitted to and approved by the Court in the Conservation Proceeding.

Section 9.3. Governing Law. This Plan shall be governed and construed in accordance with the laws of the State of California, including the Insurance Code, the Insurance Liquidation Statute, and all prior orders of the Court in the Conservation Proceeding, and jurisdiction and venue for any action arising under this Plan shall be in the Court.

Section 9.4. Gender and Person. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

Section 9.5. Notices. Any notice, request, demand, waiver, consent, approval or other communication required or permitted to be made hereunder to CastlePoint or the Conservator shall be in writing and shall be deemed given only if delivered by hand, or mailed by certified or registered mail with postage prepaid and return receipt requested, or sent by facsimile transmission (with confirmation of receipt), as follows:

Conservation & Liquidation Office  
100 Pine Street, 26<sup>th</sup> Floor  
San Francisco, CA 94111  
Attention: David E. Wilson, CEO

-and-

Orrick, Herrington & Sutcliffe LLP  
400 Capitol Mall, Suite 3000  
Sacramento, CA 95814-4407  
Attention: Thomas J. Welsh, Esq.

or to such other address as may be designated by the Conservator, and posted to the web site of the Commissioner's CLO ([www.caclo.org](http://www.caclo.org)). Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, sent by facsimile (with confirmation of receipt) or mailed.

Section 9.6. Severability. If any provision of this Plan is held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the remainder of the provisions of this Plan shall remain in full force and effect.

Section 9.7. Liability of the Commissioner. The Commissioner has promulgated this Plan only in his representative capacity as Conservator of CastlePoint, and not individually. The Commissioner shall not have any personal liability in any capacity for any matters or obligations hereunder, and further that the State of California is not a party and shall have no liability with respect hereto.

**EXECUTION**

IN WITNESS WHEREOF, the Conservator executes and adopts this Plan by and on behalf of CastlePoint, as of the day and year first above written.

Dave Jones, Insurance Commissioner of the State of California, in his capacity as Conservator of CastlePoint National Insurance Company

By: David E. Wilson  
David E. Wilson  
Special Deputy Insurance Commissioner  
CEO— Conservation & Liquidation Office

Exhibit A

Trust Agreement

**SHAREHOLDER TRUST AGREEMENT  
FOR CASTLEPOINT NATIONAL INSURANCE COMPANY**

This Shareholder Trust Agreement for CastlePoint National Insurance Company (the “Trust Agreement”) is executed and entered into as of \_\_\_\_\_, 2016, by California Insurance Commissioner Dave Jones, acting solely in his capacity as statutory conservator (the “Conservator”) of, and on behalf of, Castlepoint National Insurance Company (“CastlePoint”), and California Insurance Commissioner Dave Jones, acting solely in his official capacity as the Insurance Commissioner, and including his successors as Insurance Commissioner of the State of California and his designees (the “Trustee”).

**RECITALS**

A. On July 28, 2016, the Insurance Commissioner filed a verified application in the Superior Court of San Francisco County (the “Court”) pursuant to Insurance Code section 1011 to place CastlePoint into statutory conservation. The proceeding concerning the conservation of CastlePoint is entitled *Insurance Commissioner of the State of California v. CastlePoint National Insurance Company*, San Francisco Superior Court Case No. \_\_\_\_\_ (the “Conservation Proceeding”).

B. The Court granted the Commissioner’s application and issued its *Order Appointing Commissioner as Conservator and Restraining Orders* (“Conservation Order”). Pursuant to the Conservation Order, the Commissioner was formally appointed as the statutory Conservator of CastlePoint.

C. At the time of the commencement of the Conservation Proceeding, CastlePoint was a wholly owned subsidiary of Specialty Underwriters Alliance, Inc. (“SUAI”), which in turn was a member of a multi-entity insurance holding company group under the common control of

Tower Group International, Ltd. (“TGI”). CastlePoint was also a member of a consolidated taxpayer group for federal tax compliance purposes, the lead taxpayer of which was Condor 2 Corporation, a Delaware corporation (“Condor”). At all times prior to the Effective Date of this Trust Agreement, SUAI was the sole shareholder of all issued and outstanding shares of CastlePoint stock and no changes in control over CastlePoint had occurred.

D. On July 28, 2016, the Conservator adopted, contingent on court approval, a Plan of Conservation and Liquidation for CastlePoint National Insurance Company, a copy of which is attached hereto and incorporated herein as Exhibit A (“Plan”) and thereafter filed a motion in the Court seeking approval to effect and implement the Plan (“Plan Motion”). The Plan provides for, among other things, the definitive deconsolidation of CastlePoint from the consolidated tax group of which Condor is the lead taxpayer, on terms intended to preserve, pursuant to section 382(l)(5) of the Internal Revenue Code, all accrued but unapplied net operating losses incurred by CastlePoint since 2014 (“NOLs”) for utilization by CastlePoint in future tax returns, if necessary. The Plan requires the creation on the Effective Date of a trust, the principal purpose of which is to provide a vehicle to hold newly issued stock of CastlePoint for the benefit of SUIA CastlePoint’s creditors.

E. On \_\_\_\_\_, 2016, the Court approved the Conservator’s Plan Motion, and entered its *Order Approving and Adopting Conservation and Liquidation Plan for CastlePoint National Insurance Company*, in which the Court found and determined that Plan is fair and equitable to, and in the best interests of, the policyholders and creditors of CastlePoint, and all other interested parties, and may be implemented forthwith by the Conservator.

F. This Trust Agreement establishes the Shareholder Trust required under the Plan, as approved by the Court.

NOW, THEREFORE, having received the approval of the Court, the Conservator hereby executes this Trust Agreement in order to constitute and establish a Trust for the benefit of CastlePoint's creditors, as follows:

## **ARTICLE I**

### **THE TRUST**

1.1 Declaration of Trust. The Trust is hereby established pursuant to the Plan, as approved by the Court on \_\_\_\_\_ 2016. Pursuant to the Plan, the Trust became effective on the Effective Date. The Trustee, in his official capacity as an officer of the State of California and not in his individual capacity, hereby accepts the role and responsibilities as Trustee of the Trust.

1.2 Purpose. The purposes of the Trust shall be (i) to receive and hold in trust the New CastlePoint Stock, together with any additions thereto and changes therein, pursuant to the Plan for the benefit of SUIA and the creditors of CastlePoint; (ii) to manage the New CastlePoint Stock, including exercising all rights and privileges thereto as the sole shareholder of CastlePoint; and (iii) to distribute, from time to time, in such manner as the Trustee may see fit that complies with the Plan, this Trust Agreement and the provisions of Insurance Code section 1033(a), any funds, dividends or other distributions received from CastlePoint or the Conservator on account of the New CastlePoint Stock and any other assets of the Trust. The Conservator may make or direct additional transfers into the Trust, and may direct payments into the Trust by third parties, which assets and the New CastlePoint Stock shall collectively constitute the Trust Assets.

1.3 Tax Treatment of Trust. It is the intention and agreement of the parties that the Trust Assets shall be treated for federal, state, local and other tax purposes as owned by the beneficiaries of the Trust, pursuant to the applicable trust rules under the Internal Revenue Code

of 1986, as amended, and the regulations promulgated thereunder and any subsequent federal, state, local or other revenue act replacing, amending or modifying such trust rules ("Code"), that all income of the Trust, whether allocated to income or principal for purposes of the laws of the State of California governing trust accounting, shall be allocable to the beneficiaries for federal, state, local and other tax purposes, and that distribution of income and principal from the Trust are considered to be payments to or on behalf of CastlePoint's creditors to satisfy claims against CastlePoint in Conservation or liquidation.

Notwithstanding the foregoing, the Trust shall not be obligated for any federal, state or local income taxes (or any interest, penalties or additions to tax applicable thereto) attributable to any income of CastlePoint, including, without limitation, any failure of CastlePoint to fully and accurately report all income and timely file all required federal, state and local income tax returns, if any. In the event of any administrative procedure or litigation with the Internal Revenue Service (or other taxing authority) concerning the federal, state or local income taxation of the Trust or of CastlePoint with respect to Trust Assets, all reasonable costs, including attorneys' fees, with respect to such administrative procedure or litigation, shall be paid by the Trustee from Principal or Income of the Trust, or alternatively by the estate for CastlePoint as an expense of administration under Insurance Code section 1033(a)(1).

1.4. Trust Offices. The principal place of the administration of the Trust shall be in San Francisco, California, at the offices of the Trustee's Conservation & Liquidation Office, 100 Pine Street, 26<sup>th</sup> Floor, San Francisco, CA, 94111, or such other place within the continental United States as the Trustee shall from time to time determine. The Trust may have such other offices or places of administration as the Trustee may from time to time determine.

## ARTICLE II

### THE TRUSTEE

2.1 Trustee and Deputy Trustee. The Trust shall be administered by the Trustee. The Trustee shall have the power and authority to designate a deputy Trustee (“Deputy Trustee”) to administer the Trust on his or her behalf. The Deputy Trustee shall, subject to the discretion of the Trustee, have all of the power and authority otherwise granted to the Trustee and may be replaced by the Trustee by the written designation of a substitute Deputy Trustee. Any reference to the powers and duties of the Trustee in this Agreement shall be deemed to also refer to the Deputy Trustee. All persons dealing with the Trust shall have the right to rely on the acts of such Deputy Trustee as if such acts were the acts of the Trustee. The Trustee hereby designates David E. Wilson as the Deputy Trustee. The Trustee or the Deputy Trustee may retain and appoint counsel for the Trust ("Counsel"), who shall serve subject to the right of the Trustee to substitute Counsel by a written substitution. This Trust is created to facilitate the transactions to which it relates and is not intended in any way to modify the rights, duties and obligations of those persons and entities who have claims against CastlePoint or those against whom CastlePoint has claims. Notwithstanding anything to the contrary in this Trust Agreement, in the Plan or in the related documents thereto, the rights, duties and obligations of all persons and other entities interested in the assets of CastlePoint or against which CastlePoint has any claim, action, chose in action, suit or other right of any kind or nature, choate or inchoate, in law or in equity shall remain unchanged, and such rights, duties and obligations shall not otherwise be expanded or contracted by this Trust Agreement, the Plan or any other document; specifically at all times, the rights, debts, claims and obligations of all such persons and entities shall continue to be subject to the provisions of Article 14 of the Insurance Code (Section 1010, et seq.), including, but not

limited to Sections 1019, 1020, 1021, 1023, 1024, 1025, 1025.5, 1026, 1026.1, 1027, 1028, 1029, 1030, 1030.5, 1031, 1032, 1033, 1034, 1035.5, and 1058. Further, in dealing with any Trust Assets the Trustee shall have all the powers set out in Section 1037 of the Insurance Code, together with all rights and powers as sole shareholder of CastlePoint. The Trust may enter into such agreements, litigation, actions, settlements, covenants, and the like, as the Trustee shall, in good faith, deem necessary or advisable. In no event shall the Trustee or Deputy Trustee be personally liable for any action taken in good faith and without willful misconduct or gross misconduct.

2.2 Costs of Trust Administration. All Administration Costs incurred by the Trustee or Deputy Trustee in the administration of this Trust shall be treated as an expense of administration of the liquidation estate of CastlePoint, payable in accordance with Insurance Code sections 1033(a)(1), 1035 and 1036.

2.3 Resignation. The Trustee or the Deputy Trustee may resign at any time by giving notice in writing to the Conservator. Such resignation shall be effective on the date it is given or at such later time as is specified in the notice. In addition, the capacity of the Deputy Trustee shall terminate automatically at any time that the Deputy Trustee ceases to be a duly sworn Special Deputy Insurance Commissioner.

2.4 Successor Trustee or Deputy Trustee. If either the Trustee or the Deputy Trustee resigns or is otherwise unable or unwilling to act during the term of the Trust, a successor shall be selected as follows: (a) the successor Trustee shall be the Insurance Commissioner's successor in office; and (b) the successor Deputy Trustee shall be the successor Chief Executive Officer or acting Chief Executive Officer of the Commissioner's Conservation & Liquidation Office, or such other person as may be appointed by the Trustee pursuant to Section 2.1. No Court

approval shall be required in the event of the appointment of a successor Trustee or Deputy Trustee pursuant to this Section 2.4. No individual beneficiary of the Trust shall have any rights with respect to the selection of the Trustee or the Deputy Trustee, or any successor thereto. Title to the Trust Assets shall vest in the successor Trustee upon his written acceptance of his or her selection without further act or conveyance. Each successor Trustee shall have the same powers, rights and duties, whether discretionary or otherwise, as given the initial Trustee.

2.5 Trustee's Powers. In conformance with the powers conferred upon the Conservator, the Trustee shall have all such further powers as shall be necessary or appropriate for the effective administration of the Trust, including, but not by way of limitation, the following powers:

2.5.1 To hold any property received into the Trust as long as the Trustee may deem advisable;

2.5.2 For the entire term of the Trust, to market, sell, convert, assign, convey, exchange, transfer, pledge, encumber, or otherwise dispose of, or grant options with respect to, any of the property comprising the Trust Assets at public or private sale, for such consideration and upon such terms and conditions as the Trustee deems advisable, and without liability on the part of the purchaser to see to the application of the purchase money or to inquire into the validity or propriety of such sale; and to execute and deliver good and sufficient deeds or other evidences of title for any assets, conveying title free and clear of the Trust. Notwithstanding the foregoing, the sale, assignment, transfer or the disposition of the Trust Assets, and in particular the New CastlePoint Stock, shall be subject to the transfer restrictions set forth in the Plan;

2.5.3 To manage and operate the Trust and any and all of the property or assets at any time held hereunder; to lease all or any part of real or personal property on such terms,

rentals and conditions as the Trustee shall deem advisable, notwithstanding the fact that the terms of such leases may extend beyond the life of the Trust; to release, partition, vacate or abandon the same; to grant and acquire licenses and easements with respect thereto; to make improvements to or upon the same; to construct, demolish, alter, repair, maintain and rebuild buildings and other improvements; and to use other assets of the Trust for any of the foregoing purposes;

2.5.4 To borrow money for the benefit of the Trust from any source, upon such terms and for such periods as the Trustee may deem advisable; to evidence such borrowing by promissory notes, bonds or other evidences of indebtedness; and to secure the payment of the same by pledge, deed of trust or mortgage of the Trust Assets;

2.5.5 To join in or to dissent from and oppose the reorganization, recapitalization, consolidation, merger, liquidation, or sale of corporations or properties in which the Trust has an interest;

2.5.6 To hold all or any portion of the Trust Assets in the name of the Trustee or of a nominee, with or without disclosure of the Trust;

2.5.7 To prosecute, defend, compromise, arbitrate or otherwise adjust or settle claims in favor of or against the Trustee or the Trust;

2.5.8 To delegate the administration of any particular property or portion of the Trust Assets to such individuals or corporations as the Trustee may deem advisable, including, without limitation, delegation to the Deputy Trustee and Counsel ("Delegates"); to convey or cause to be conveyed for such purpose to the Delegates the title to any such property under such conditions and restrictions as the Trustee may deem proper; to grant with respect to such property, any part or all of the powers hereunder. The Trustee shall not be liable for the conduct

of the Delegates if reasonable care is taken in the selection thereof, but any such delegate shall be and remain obligated to account to the Trustee for any such property and all avails therefrom;

2.5.9 To employ and compensate, out of Trust Assets, agents, accountants, attorneys-in-fact, attorneys-at-law, tax specialists, brokers, and other assistants, employees and advisers ("Employees") as deemed necessary by the Trustee for the proper administration of the Trust, without liability for any misconduct, neglect, default or omission of any such Employee, provided reasonable care is exercised in the selection and employment thereof;

2.5.10 To effect fire, rent, title, liability, casualty, or other insurance of any nature, in any form and in any amount;

2.5.11 To reimburse the Trustee from the Trust Assets for any loss or expense incurred by reason of the Trustee's ownership or holding of any property in the Trust; to reimburse the Trustee from the Trust Assets for all claims, losses, damages, expenses, charges and costs (including, without limiting the generality of the foregoing, counsel fees, expenses and liabilities incurred in prosecuting or defending any claim, suit or action) which result from the performance of the Trustee's duties hereunder, and are not attributable to the Trustee's willful default or willful neglect; all such expenses incurred in defending any action or suit may be paid by the Trust to the Trustee as incurred by him, even though such payment may be made in advance of the final disposition of such action or suit;

2.5.12 The Trustee shall have full power, authority and discretion to deal with any situation which may arise respecting the Trust or any part thereof in such manner as the Trustee shall deem advisable and in the best interests of the Trust. The grant to the Trustee of any specific power, authority or discretion, or the failure to grant specifically herein any other power, authority or discretion, except as expressly provided otherwise in this Trust Agreement,

shall not be construed to limit or curtail in any way or to any extent said full and complete power, authority and discretion of the Trustee, which shall be exercisable at all times by the Trustee respecting any and all matters of whatsoever character pertaining to the Trust or any part thereof;

2.5.13 To perform all obligations of the Trust or the Trustee which survive the Closing of the Plan;

2.5.14 To withhold all applicable taxes from any distribution made to any beneficiary of the Trust, if the Trustee reasonably believes that the Trustee is or may be required to withhold such taxes, and to distribute such withheld taxes either to: (i) the appropriate governmental agency responsible for the collection of such taxes; or (ii) to the beneficiary from whom such taxes were withheld, but only upon presentation to the Trustee of a final, non-appealable order from a court or from the governmental agency responsible for the collection of such taxes;

2.5.15 To establish such reserves as the Trustee may, in his sole discretion, deem necessary or appropriate, including without limitation, reserves for the payment of any and all taxes of any kind and for the satisfaction of the obligations of the Trust pursuant to Paragraph 3.4 above, and reserves for potential disbursements to be required in the future to meet the purposes of this Trust; and

2.6 Compensation. The Trustee may be entitled to reasonable compensation and shall be entitled to reimbursement for out-of-pocket expenses. The Trust may pay reimbursable expenses directly.

2.7 Immunity from Personal Liability. Neither the Trustee nor the Deputy Trustee shall be liable for any act, omission or error of judgment in the administration of the Trust, unless

such liability results solely from the Trustee or Deputy Trustee's willful misconduct or fraudulent conduct.

2.8 No Bond Required. The Trustee shall not be required in this or any other jurisdiction to furnish any bond or security for the faithful performance of his duties.

2.9 No Duty To Diversify. The Trustee shall have no duty to diversify Trust assets. The Trustee's sole duty is to liquidate and distribute Trust Assets in accordance with the Plan, this Trust Agreement and the Insurance Code.

### **ARTICLE III**

#### **DEFINITIONS**

3.1 Definitions. Any capitalized term which is used and not otherwise defined herein shall have the meaning ascribed thereto in the Plan or the Plan Motion. In addition, the following words or phrases when used shall have the following meaning:

"Administration Costs" means, without limitation, all expenses incurred in connection with the Trust Assets or with its administration and management, including taxes assessed on any portion thereof (e.g., excise or property taxes), premiums on insurance, repairs on properties, office expenses, Trustee's fees, postage, salaries and benefits of any employees deemed necessary by the Trustee, fees of attorneys or other professionals retained by the Trustee, costs of prosecuting, maintaining or defending any action or lawsuit, accounting fees, any amounts due to CastlePoint pursuant to any tax sharing, reimbursement or similar arrangement, and all other costs, expenses and fees incurred by the Trust.

"Code" has the meaning set forth in Section 1.3.

"Deputy Trustee" has the meaning set forth in Section 2.1.

"Effective Date" means the date on which the Plan became effective pursuant to its terms.

"TGI" has the meaning set forth in Recital C.

"Condor" has the meaning set forth in Recital C.

"Income" means all receipts of money or other property received or other return derived from Trust Assets.

"CastlePoint" has the meaning set forth in the Preamble.

"Conservator" has the meaning set forth in the Preamble.

"Court" has the meaning set forth in Recital A.

"Conservation Order " has the meaning set forth in Recital B.

"Conservation Proceeding" has the meaning set forth in Recital A.

"Net Income" means, for purposes of making distributions, all Income after payment of Administration Costs, and other applicable charges and expenses incurred by the Trust.

"Net Sales Proceeds" means the gross proceeds received, in cash or other property, from the disposition of any Trust Assets, less any commissions paid or direct cost incurred in the disposition of such Trust Assets.

"NOLs" has the meaning set forth in Recital D.

"Person" means a natural person, firm, association, general partnership, limited partnership, corporation, public body or any other type of legal entity.

"Plan" has the meaning set forth in Recital D.

"Plan Motion" has the meaning set forth in Recital D.

"Principal" means the New CastlePoint Stock, plus any substitutions, replacements or other property received in exchange therefor.

"Trust" means the trust established by this Agreement.

"Trust Agreement" means this Agreement, as and when amended from time to time by the Trustee.

"Trust Assets" means the New CastlePoint Stock issued and delivered to the Trustee pursuant to the Plan, together with any additions thereto and changes therein.

"Trustee" means the Insurance Commissioner of the State of California and his successors in office.

#### **ARTICLE IV**

##### **CERTIFICATES OF BENEFICIAL INTEREST**

4.1 Certificates. Beneficial interests in the Trust may be evidenced, in the sole discretion of the Trustee, by a certificate or certificates, which shall be in such form as the Trustee may from time to time prescribe.

4.2 Rights of Certificate Holders. The certificate holders, if any, shall have no legal title or interest in the individual assets comprising the Trust Assets and no right to a partition thereof, except as expressly provided in the Agreement and determined by the Trustee.

#### **ARTICLE V**

##### **DISTRIBUTIONS**

5.1 Retention of Trust Assets: The Trustee may, in his sole discretion, retain and not distribute any and all amounts of the Net Income, Net Sales Proceeds or Principal as the Trustee may determine are reasonably necessary to perform the functions and purposes of the Trust, or

for any and all Administrative Costs incurred or to be incurred in the operation and management of the Trust during the term of the Trust.

5.2 Distribution of Trust Assets: If the Trustee, in his sole discretion, determines that the express purpose of the Trust has been fulfilled, the Trustee shall distribute the Trust Assets, or any Net Sales Proceeds, to SUAI and CastlePoint's creditors in accordance with the priorities set forth in Insurance Code Section 1033.

## ARTICLE VI

### TRUST TERM & TERMINATION

6.1 Term: The Trust shall expire on December 31, 2023, unless extended after such date by the Trustee.

6.2 Termination: The Trust shall terminate automatically upon the occurrence of the earlier of the following events:

6.2.1 The date when all potential distributions or income on account of the Trust Assets have been received by the Trust and distributed pursuant to the beneficiaries of the Trust pursuant to Article Five;

6.2.2 The date on which the Trustee determines, in his sole discretion, that (a) the Trust Assets have no realizable value and cannot reasonably be anticipated to have any realizable value and should be abandoned, and (b) that no other benefit to CastlePoint or its creditors, including any benefit from the continued preservation of the NOLs, can reasonably be derived from maintaining the Trust; or

6.2.3 The effective date of the final discharge of the Conservator from his statutory duties related to CastlePoint, as determined by the Court in the Conservation Proceedings.

## ARTICLE VII

### REPORTS & RECORDS

7.1 Reports to Conservator. If requested by the Conservator, the Trustee shall transmit to the Conservator, not later than ninety (90) days after the end of each fiscal year of the Trust, or such shorter intervals as the Conservator may request, a report which shall contain:

7.1.1 A statement by the Trustee as to the Trust's operations during the period covered by the report, including a schedule of the Net Income and Net Sales Proceeds earned or received by the Trust during the fiscal period;

7.1.2 A statement by the Trustee as to negotiations and prospects for the liquidation of the Trust Assets;

7.1.3 A statement by the Trustee as to the current address for mailing notices to the Trustee;

7.1.4 Financial statements consisting of a statement of assets and liabilities, and statement of operations, both prepared in accordance with generally accepted accounting principles or liquidation basis of accounting, applied on a consistent basis, or in such other format as the Conservator may request.

7.2 Tax Information. If the Trust is ever determined to be a grantor trust for federal income tax purposes, the Trustee shall provide the Conservator, within ninety (90) days after the end of the fiscal year of the Grantor, such tax information attributable to the Trust's activities or investments as may be required to prepare the federal, state and local income tax returns of CastlePoint.

## ARTICLE VIII

### MISCELLANEOUS

8.1 Notice. Any notice required or permitted hereunder or which any party elects to give shall be in writing and delivered, either personally to the other party or the other party's authorized agent or by depositing such notice in the United States mail, certified mail, return receipt requested, postage fully prepaid (any notice given by mail as herein provided shall be deemed given when deposited in the United States mail), or via overnight delivery by a recognized national delivery service, addressed as follows:

8.1.1 If to the Trustee or Deputy Trustee:

David E. Wilson  
Special Deputy Insurance Commissioner  
Conservation & Liquidation Office  
100 Pine Street, 26<sup>th</sup> Floor  
San Francisco, CA 94111

8.1.2 If to the Conservator or CastlePoint:

Joe Holloway  
Conservation Manager  
CastlePoint National Insurance Company  
Conservation & Liquidation Office  
100 Pine Street, 26<sup>th</sup> Floor  
San Francisco, CA 94111

8.2 Paragraph Headings. The paragraph headings herein are inserted for convenience only and shall in no way define, limit or prescribe the scope or intent of any provisions of the Trust.

8.2 Counterparts. This Trust Agreement may be executed in several counterparts and each such counterpart shall be deemed an original.

8.3 Gender. Wherever required by the context, the singular number shall include the plural number, the plural number shall include the singular number, the masculine gender shall include the neuter and feminine gender, the feminine gender shall include the masculine and neuter gender, and the neuter gender shall include the masculine and feminine gender.

8.4 Governing Law. This Trust Agreement shall be governed by the laws of the State of California.

[Signature Page Follows]

IN WITNESS WHEREOF, this Trust Agreement has been executed, as of the Effective Date of the Plan, at San Francisco, California, on the \_\_\_\_ day of \_\_\_\_\_, 2016.

**CONSERVATOR, for and on behalf of  
CASTLEPOINT NATIONAL INSURANCE  
COMPANY**

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By: David E. Wilson  
Title: Chief Executive Officer

**TRUSTEE**

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By: David E. Wilson