

In the Matter of the Rehabilitation of:

Case No. 10 CV 1576

Segregated Account of Ambac Assurance Corporation

ORDER

This matter came before the Court for a hearing on the Rehabilitator's Motion (the "Motion") To Authorize the Rehabilitator and the Segregated Account to Proceed With Specified Agreements With Ambac Assurance Corporation and Ambac Financial Group, Inc. and Its Official Committee of Unsecured Creditors. The Motion came before the Court on proper advance written notice for hearing in open court. Appearances were noted on the record. All parties-in-interest were afforded the opportunity to appear and be heard on the Motion.

The Court having considered the Rehabilitator's Motion and the information provided at the hearing, it is hereby **ORDERED** as follows:

- 1) The Rehabilitator's Motion is **GRANTED**.
- 2) The Rehabilitator and the Segregated Account are authorized to proceed in accordance with the terms and conditions of the Mediation Agreement, the Amended and Restated Tax Sharing Agreement, the Expense Sharing and Cost Allocation Agreement, and Amendment No. 1 to Cooperation Agreement, which were attached to the Motion, and to carry out all transactions necessary to effectuate those agreements.
- 3) In the event that any obligations of Ambac Assurance Corporation (AAC") under the Mediation Agreement become subject to the authority of this Court or any other court of competent jurisdiction for purposes of any delinquency proceeding of AAC or any

of its assets or liabilities, the obligations of AAC to (i) make payments to Ambac Financial Group, Inc. (“AFG”) for use of net operating losses pursuant to the Amended and Restated Tax Sharing Agreement, (ii) reimburse reasonable AFG operating expenses pursuant to the Expense Sharing and Cost Allocation Agreement, (iii) pay the cash grant described in Section 6 of the Mediation Agreement, (iv) make all payments described in Section 2.1 of the Mediation Agreement, and (v) make all payments described in Section 4 of the Mediation Agreement, in each case, shall be provided administrative expense status in any such delinquency proceeding.

Dated this ____ day of _____, 2011.

BY THE COURT:

Honorable William D. Johnston
Lafayette County Circuit Court Judge
Presiding by Judicial Appointment