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December 2, 2011

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Jody Baux
Ambac Clerk, Dane County Circuit Court
Dane County Courthouse
215 South Hamilton Street
Madison, Wisconsin 53703

Re: *In the Matter of the Rehabilitation of Segregated Account of Ambac Assurance Corporation*; Dane County Circuit Court Case No. 10 CV 1576

Dear Ms. Baux:

Enclosed for filing in the above-referenced matter are the following documents:

1. Notice of Motion and Motion to Approve Amended Settlement Agreement With Certain LVM Bondholders; and
2. Proposed Order.

Please note the motion is set for hearing on December 19, 2011 at 2:00 p.m. at the Lafayette County Circuit Court.

We have served by email all parties-in-interest on the service list and posted copies on the Court-approved Web site. Thank you for your attention to this matter.

Very truly yours,

FOLEY & LARDNER LLP

Matthew R. Lynch

Enclosures

cc: Honorable William D. Johnston (with enclosures, via first-class mail)
All Counsel of Record (with enclosures, via email)

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LOS ANGELES
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WASHINGTON, D.C.

In the Matter of the Rehabilitation of:

Case No. 10 CV 1576

Segregated Account of Ambac Assurance Corporation

**NOTICE OF MOTION AND MOTION
TO APPROVE AMENDED SETTLEMENT AGREEMENT
WITH CERTAIN LVM BONDHOLDERS**

**By the Commissioner of Insurance of the State of Wisconsin,
as Rehabilitator of the Segregated Account of Ambac Assurance Corporation**

NOTICE OF MOTION

TO: All Interested Parties

PLEASE TAKE NOTICE that the Court has scheduled a hearing on the Rehabilitator's Motion to Approve Amended Settlement Agreement With Certain LVM Bondholders. The hearing will take place on Monday, December 19, 2011, commencing at 2:00 p.m. and concluding at 4 p.m., and shall proceed in the courtroom for the Lafayette County Circuit Court in Darlington, Wisconsin, the Honorable William D. Johnston presiding by judicial designation.

PLEASE TAKE FURTHER NOTICE that any interested parties may appear telephonically pursuant to the Court's standard tele-court procedure. Any party interested in appearing telephonically should make arrangements in advance of the hearing by calling 800-924-5680.

PLEASE TAKE FURTHER NOTICE that any objections to the relief requested in this motion should be made in writing and filed and served on or before noon on Friday, December 16, 2011.

MOTION

TO: The Honorable William D. Johnston, Presiding by Judicial Designation, Lafayette County Circuit Court

By this motion, the Commissioner of Insurance of the State of Wisconsin, as court-appointed rehabilitator (the “Rehabilitator”) of the Segregated Account (the “Segregated Account”) of Ambac Assurance Corporation (“Ambac”), seeks court approval of an Amended and Restated Settlement Agreement (the “Amended Agreement”) with Nuveen Asset Management, Restoration Capital Management LLC, and Stone Lion Capital Partners L.P. (the “Settling LVM Bondholders”). A copy of the Amended Agreement is attached to this motion as Exhibit A. If the descriptions in this motion are in any way inconsistent with the actual language, terms and/or conditions of the Amended Agreement itself, the latter, of course, controls.

In support of this motion, the Rehabilitator states as follows:

1. The background facts relating to Ambac, its deterioration, the decision to create and allocate impaired policies to the Segregated Account, and the rehabilitation of the Segregated Account are set forth in this Court’s May 27, 2010 Findings of Fact and Conclusions of Law, and in the January 24, 2011 Plan Confirmation Order, which are incorporated herein by reference.
2. The present motion is a follow-up to the Rehabilitator’s February 10, 2011 Motion to Approve Settlement With Certain LVM Bondholders (the “February Motion”), which was granted by the Court by order dated April 21, 2011. All parties-in-interest received notice of the February Motion and there were no objections filed to it. In the

February Motion, the Rehabilitator sought approval of a settlement agreement (the “Original Agreement”) with the Settling LVM Bondholders. The present motion seeks approval of the Amended Agreement which, in principal terms, changes the type of consideration paid to bond holders under the settlement to all cash, instead of cash and surplus notes.

3. The Original Agreement and the Amended Agreement relate to Municipal Bond Insurance Policy No. 17548BE (the “Insurance Policy”) and Surety Bond No. SB1080BE (the “Surety Bond”) (collectively “the LVM Policies”), both of which were allocated to the Segregated Account on March 24, 2010. The LVM Policies were issued in connection with a monorail system constructed in Las Vegas, Nevada. The Insurance Policy insures payment of principal and interest on Las Vegas Monorail Project Revenue Bonds, 1st Tier Series 2000 (the “LVM Insured Bonds”) having an original principal amount of \$451,448,217.30. The Surety Bond guarantees payments from a debt service reserve fund for the LVM Insured Bonds in a total amount of \$20,991,807.50. In addition, Ambac owns \$8.5 million in principal amount of LVM Insured Bonds (the “Ambac-Owned Bonds”).

4. The proceeds from the LVM Insured Bonds were used to fund the acquisition and upgrade of an existing 0.8 mile monorail system in downtown Las Vegas and construct approximately 3.0 miles of new guideway for the monorail system. The Las Vegas Monorail is owned, managed and operated by the Las Vegas Monorail Company (“LVMC”). LVMC filed a Chapter 11 bankruptcy on January 13, 2010. See In re: Las Vegas Monorail Co., Case No. BK-S-10-10464-BAM (Bankr. Nev.) (the

“LVM Bankruptcy Proceeding”). On November 18, 2011, the bankruptcy court rejected a proposed plan of reorganization for LVMC.

5. The Original Agreement provided two alternative structures for commuting the LVM Policies: 1) a Minnesota court-approved full commutation with all policyholders¹ or 2) a voluntary commutation with all interested policy beneficiaries, effected through an offer to purchase (“Purchase Offer”) outstanding LVM Insured Bonds using a synthetic commutation structure. Both alternatives called for the Segregated Account to pay a mix of cash and surplus notes to commuting policyholders. Under the Purchase Offer option of the Original Agreement, if all holders of LVM Insured Bonds were to accept the Purchase Offer, then the Segregated Account would have delivered consideration consisting of (i) a cash payment of \$111 million, (ii) \$81 million (principal amount) in Segregated Account surplus notes and (iii) the Ambac-Owned Bonds.

6. The Amended Agreement provides for only one settlement structure: a modified version of the Purchase Offer (the “Amended Purchase Offer”), pursuant to which Ambac has offered to purchase outstanding LVM Insured Bonds from all interested bondholders (not just the three Settling LVM Bondholders) for a specified amount of cash and no surplus notes, and without use of a synthetic commutation structure. Under the Amended Purchase Offer, if all holders of LVM Insured Bonds accept Ambac’s offer to purchase their bonds, then Ambac will pay a total of \$131,346,349 in cash, inclusive of amounts which will be applied to pay certain

¹ Under the Original Agreement, a condition precedent to moving forward with the full commutation was that the LVM Trustee obtain authority from a Minnesota court to settle and resolve all claims against Ambac under the LVM Policies. It became apparent to the parties that the LVM Trustee would be unable to obtain that authority prior to the Original Agreement’s deadline for completing the full commutation and, accordingly, those efforts were abandoned.

reasonable fees and expenses of the Settling LVM Bondholders and the trustee for the LVM Insured Bonds (the “LVM Trustee”). If fewer than all of the holders of LVM Insured Bonds accept the Amended Purchase Offer, then the cash paid by Ambac will be decreased in approximate proportion. In addition, Ambac will instruct the LVM Trustee to cancel a portion of the Ambac-Owned Bonds equal to the percentage of LVM Insured Bonds purchased as a result of the Amended Purchase Offer. In this manner, Ambac itself will not receive any consideration in respect of the Ambac-Owned Bonds.

7. The Amended Agreement provides that the holders of the LVM Insured Bonds (the “LVM Holders”) who tender their bonds in the Amended Purchase Offer will retain the right to receive for their own benefit all right, title and interest in and to any new securities to be issued by LVMC and/or any other consideration which may be payable generally to LVM Holders in the LVM Bankruptcy Proceeding (the “Retained Rights”). Accordingly, the Amended Purchase Offer states that the LVM Insured Bonds are being separated from the claims of LVM Holders to distributions in the LVM Bankruptcy Proceeding and that, while LVM Holders who participate in the Amended Purchase Offer will irrevocably assign and transfer to Ambac all right, title and interest in and to, and all claims in respect of applicable LVM Insured Bonds, the participating LVM Holders do not assign and transfer those claims related to the Retained Rights.

8. The Amended Agreement would effectively commute the Segregated Account’s obligation under the LVM Policies with respect to all LVM Insured Bonds purchased through the Amended Purchase Offer. The Settling LVM Bondholders, who control approximately 73.4% of the outstanding LVM Insured Bonds, have all agreed to

accept the Amended Purchase Offer. The Rehabilitator expects other bondholders to accept the offer as well.

9. The effective total maximum consideration is \$131,346,349. This represents 25.7% of the Rehabilitator's total projected claims (using an average of the Rehabilitator's base and stress case loss projections) for LVM Policies discounted to present value.

10. Ambac, the Segregated Account, and the Settling LVM Bondholders executed the Amended Agreement on November 21, 2011. The Amended Purchase Offer was made public that same day. The period for holders of LVM Insured Bonds to accept the Amended Purchase Offer is expected to expire on December 19, 2011. The Amended Agreement contemplates that the purchases will close within five business days of the expiration of the offer period (expected to be on or around December 27, 2011). The Amended Purchase Offer is expressly conditioned upon this Court approving the Amended Agreement.

11. As part of the settlement negotiations, on October 28, 2011, the Settling LVM Bondholders filed a notice of withdrawal without prejudice of their appeal of this Court's July 16, 2010 Order denying their motion relating to allocation of policies to the Segregated Account. The Amended Agreement permits the Settling LVM Bondholders to reinstate that appeal if this Court does not approve the Amended Agreement.² In addition, under the terms of the Amended Agreement, if the Court approves the Amended Agreement and the Amended Purchase Offer closes as planned, then the Settling LVM Bondholders will withdraw with prejudice all motions, objections, actions and claims,

² The Settling LVM Bondholders previously dismissed their appeal regarding the Bank Settlement with prejudice.

including any remaining appeals, that they have asserted against the Segregated Account in these rehabilitation proceedings.

12. The Rehabilitator believes that the Amended Agreement is in the best interests of the Segregated Account because it will resolve a large percentage of the claims under the LVM Policies for an amount that is less than what the Rehabilitator expects the Segregated Account to pay under the current Plan of Rehabilitation, resulting in more claims-paying resources being available to pay claims of other Segregated Account policyholders. In addition, the Amended Agreement is fair to all holders of LVM Insured Bonds because none of the holders is obligated to accept the Amended Purchase Offer; only those bondholders who wish to participate will do so. The Amended Agreement also is beneficial because it resolves the objections and appeals in these proceedings of the Settling LVM Bondholders.

13. Time is of the essence in obtaining the Court's approval of the Amended Agreement because the Amended Purchase Offer is expected to expire on December 19, 2011 and the closings are expected to occur on or about December 27, 2011.

WHEREFORE, the Rehabilitator respectfully requests that the Court grant this motion and approve Amended Agreement and the transactions contemplated by the Amended Agreement.

Dated this 2nd day of December, 2011.

FOLEY & LARDNER LLP

By:



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*Attorneys for Commissioner of
Insurance of the State of Wisconsin as
Rehabilitator of the Segregated Account
of Ambac Assurance Corporation*

EXHIBIT A

AMENDED AND RESTATED SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT, dated as of December 27, 2010 (the "Original Settlement Agreement"), as amended and restated in its entirety as of November 21, 2011 (this "Agreement"), by and among Ambac Assurance Corporation ("AAC"), the Segregated Account of Ambac Assurance Corporation (the "Segregated Account" and, together with AAC, "Ambac"), the Special Deputy Commissioner for the Segregated Account on behalf of the Commissioner of Insurance of the State of Wisconsin, as court-appointed rehabilitator for the Segregated Account (the "Rehabilitator") (only with respect to Sections 3.1(a), 3.1(b), 3.1(c), 3.2(d), 3.5 and 5.2), and Nuveen Asset Management, Restoration Capital Management LLC and Stone Lion Capital Partners L.P., on behalf of themselves and/or funds and accounts managed or controlled by them that hold LVM Insured Bonds (as defined below) (collectively, the "Settling Bondholders").

WHEREAS, the Settling Bondholders are holders of Las Vegas Monorail Project Revenue Bonds, 1st Tier Series 2000, consisting of current interest bonds (the "Current Interest Bonds" or "CIBs") and capital appreciation bonds (the "Capital Appreciation Bonds" or "CABs" and, together with the Current Interest Bonds, the "LVM Insured Bonds") issued pursuant to the Indenture dated as of September 1, 2000 (the "LVM Indenture") by and between the Director of the State of Nevada Department of Business and Industry (the "Director") and Wells Fargo Bank, N.A., as Trustee (the "LVM Trustee") and supported by payments made by the Las Vegas Monorail Company ("LVMC") to the Director under a Financing Agreement dated as of September 1, 2000 between the Director and LVMC;

WHEREAS, AAC has issued a certain financial guaranty insurance policy and a certain surety bond (collectively, the "Ambac Policies"), each dated as of September 20, 2000 for the benefit of holders (the "LVM Bondholders") of the LVM Insured Bonds;

WHEREAS, the parties hereto entered into the Original Settlement Agreement regarding a comprehensive settlement with respect to the obligations under the Ambac Policies and related matters;

WHEREAS, each of the parties hereto acknowledges and confirms that (i) the Settling Bondholders delivered a Commutation Abandonment Notice on June 22, 2011, in accordance with the terms of the Original Settlement Agreement, abandoning the commutation of the Ambac Policies contemplated by the Original Settlement Agreement, and (ii) accordingly, the Commutation has been abandoned; and

WHEREAS, the parties hereto now wish to amend and restate such agreement in its entirety as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the covenants, conditions and agreements contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I DEFINITIONS

For purposes of this Agreement:

"Business Day" means any day other than Saturday or Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, New York, New York and Wilmington, Delaware.

“Commutation” shall have the meaning given to such term in the Original Settlement Agreement.

“Cash Amount” means, with respect to any Current Interest Bond or Capital Appreciation Bond owned by the Participating Holders, (i) the Net Cash Consideration times, (ii) in each case as of the Valuation Date, in the case of a Current Interest Bond, the aggregate principal amount of or, in the case of a Capital Appreciation Bond, the aggregate accreted value at its final maturity date of, each LVM Insured Bond owned by such Participating Holders divided by, (iii) 1,000.

“Circuit Court” means the Circuit Court for Dane County, Wisconsin.

“Illegality Event” means that a federal, national, state, provincial, local or similar governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body shall have issued an order, decree or ruling or taken any other action restraining, rescinding, enjoining or otherwise prohibiting the Commutation, or materially and adversely altering any component thereof or otherwise rendering it impossible or unlawful for any party hereto to consummate Offer to Purchase.

“LVM Trustee Fees and Expenses” means the reasonable expenses of the LVM Trustee incurred necessary to protect the interests of the LVM Bondholders and reasonable charges and expenses of the LVM Trustee incurred in the performance of its powers and duties under the LVM Indenture, to the extent not previously paid or reimbursed and otherwise reimbursable or payable to the LVM Trustee under the LVM Indenture.

“Net Cash Consideration” means, with respect to any Current Interest Bond or Capital Appreciation Bond, the amounts set forth on Schedule B hereto.

“Non-Participating Holder” means LVM Bondholders who do not participate in the Offer to Purchase, in respect of its LVM Insured Bonds not participating in the Offer to Purchase.

“Original Settlement Approval Order” means an order of the Circuit Court approving the Original Settlement Agreement.

“Participating Holder” means LVM Bondholders, each in respect of its LVM Insured Bonds participating in the Offer to Purchase, who elect to participate in the Offer to Purchase.

“Pro Rata,” means the proportion of, in the case of a Current Interest Bond, the aggregate outstanding principal amount of and accrued interest on such bond and, in the case of a Capital Appreciation Bond, the aggregate outstanding accreted value of such bond to, in each case, the aggregate outstanding principal amount of and accrued interest (in the case of CIBs), and accreted value (in the case of CABs), on all LVM Insured Bonds as of the Valuation Date.

“Settlement Approval Order” means an order of the Circuit Court approving this Agreement (as amended and restated).

“Settling Bondholder Expenses” means the documented, reasonable out-of-pocket fees and expenses of the Settling Bondholders paid to their retained professional advisors and incurred in connection with enforcement of the rights of LVM Bondholders under the Ambac Policies, and any amounts paid by the Settling Bondholders by way of indemnification of the LVM Trustee to the extent the LVM Trustee is entitled to be reimbursed for any such amounts under the LVM

Indenture plus fifty (50%) percent of the fees and expenses incurred by the depository and information agent for the Offer to Purchase in connection with such transaction.

“Tender Participation Ratio” means a ratio the numerator of which is, in the case of the CIBs, the aggregate outstanding principal amount of LVM Insured Bonds owned by Participating Holders and, in the case of CABs, the aggregate outstanding accreted value at their respective final maturity dates of such LVM Insured Bonds and the denominator of which is, in each case, the aggregate outstanding principal amount of (in the case of CIBs), and accreted value at their respective final maturity dates (in the case of CABs), on all LVM Insured Bonds as of November 1, 2011.

“Valuation Date” means November 1, 2011.

ARTICLE II OFFER TO PURCHASE

2.1 Commencement of the Offer to Purchase. Subject to satisfaction of the applicable conditions set forth in Section 2.3, by November 21, 2011, Ambac shall commence an offer to purchase in respect of all LVM Insured Bonds (the “Offer to Purchase”), which shall take the form of a tender offer and shall provide for (i) the full and complete termination and release of all obligations of Ambac (and payment to Ambac of proceeds of all payments) under the Ambac Policies in respect of the LVM Insured Bonds which participate in such Offer to Purchase (the “Ambac Release”); (ii) the consideration payable in respect of the Ambac Release as set forth in Section 2.2(a); and (iii) Participating LVM Bondholders retaining the right to receive for their own benefit all right, title and interest in and to the new securities to be issued by LVMC, as described in LVMC’s Third Amended Plan of Reorganization, as Revised (Case No.: BK-S-10-10464-BAM) (the “New Securities”), as it may be further revised, amended or restated (the “LVM Plan”), or any other consideration which may be payable generally to LVM Bondholders under the LVM Plan for their LVM Bonds, but, for the avoidance of doubt, solely in respect of the LVM Bonds owned by the Participating Holders (the “Other Consideration”).

2.2 Conduct of the Offer to Purchase.

(a) The Offer to Purchase shall be conducted in compliance with all applicable legal requirements and, subject to such applicable legal requirements, shall provide for a closing (the “Offer to Purchase Closing”) no earlier than twenty (20) Business Days and no later than fifty (50) days following the date on which the Offer Notice is first sent to the LVM Bondholders. The consideration payable in the Offer to Purchase in respect of the Ambac Release shall consist of the Cash Amount.

Subject to applicable legal requirements and Section 2.1, the Offer Notice shall state, without limitation:

- (1) the consideration to be received by tendering LVM Bondholders in respect of their LVM Insured Bonds;
- (2) the estimated date of the Offer to Purchase Closing;
- (3) the last date by which the holders of the LVM Insured Bonds may accept the Offer to Purchase; and
- (4) the manner in which the holders of the LVM Insured Bonds may accept the Offer to Purchase, including the method of delivery of the LVM Insured Bonds, and any

information required to be furnished by a holder in order that Ambac can deliver the Cash Amount to or for the account of the holder.

(b) No later than two (2) Business Days prior to the date of commencement of the Offer to Purchase, the Settling Bondholders shall inform Ambac of the amount of the Settling Bondholder Expenses, and, based upon information obtained from the LVM Trustee, the amount of the LVM Trustee Fees and Expenses. The Segregated Account shall pay such amounts in accordance with (i) in regard to the Settling Bondholder Expenses (other than, for the avoidance of doubt, fifty percent (50%) of the fees and expenses incurred by the depository and information agent as contemplated in the definition thereof), the instructions of the Settling Bondholders and (ii) in regard to the LVM Trustee Fees and Expenses, the instructions of the LVM Trustee, in each case as determined in their discretion, at the time of the Offer to Purchase Closing.

(c) Each Participating LVM Bondholder shall agree by its participation therein not to object to Ambac's succeeding to the rights and interests of any LVM Bondholders that do not participate in the Offer to Purchase under the LVM Plan or any other plan of reorganization or similar plan or program in the LVM Bankruptcy Proceeding.

(d) The Cash Amount is intended, and shall be adjusted, to ensure that the total amount of cash payable to each Participating Holder, consisting of both (i) cash received upon the applicable Offer to Purchase Closing and (ii) any other consideration paid under the Plan of Rehabilitation of the Segregated Account (the "Plan") in respect of the LVM Insured Bonds, if any, is equal to the amount such Participating Holder would have received assuming that the Segregated Account had not paid any consideration under the Plan for the benefit of Participating Holders on account of claims under the Ambac Policies from and after the date of this Agreement through such Offer to Purchase Closing.

2.3 Condition to Commencement and Closing of Offer to Purchase. Ambac shall not be required to commence or consummate the Offer to Purchase unless each of the following conditions shall be satisfied as of such commencement or consummation of the Offer to Purchase:

(a) Ambac shall have received a certificate from the Settling Bondholders and/or their permitted transferees in form and substance reasonably satisfactory to it affirming or reaffirming, as the case may be, that at and as of the date of commencement or consummation of the Offer to Purchase, as applicable, the representations and warranties from each such Settling Bondholder set forth in Section 3.4 hereof are true and correct (it being understood that the representation in Section 3.4(a) shall be deemed true and correct if such representation is true and correct for a Settling Bondholder, its affiliates and its permitted transferees in the aggregate as to their combined holdings of LVM Insured Bonds as of the date of such certification, and shall be subject to any changes in percentage resulting solely from the maturity of, or accretion of, any LVM Insured Bonds);

(b) the LVM Bondholders accepting the Offer to Purchase constitute the Holders (as defined in the Indenture) of at least the percentage in aggregate principal amount and/or aggregate accreted value (as the case may be) of the LVM Insured Bonds held by the Settling Bondholders as of the date of this Agreement, subject to any changes in percentage resulting solely from the maturity of, or accretion of, any LVM Insured Bonds;

(c) no Settling Bondholder shall be in material breach of its obligations or representations and warranties hereunder;

(d) no Illegality Event with respect to the Offer to Purchase shall have occurred and be continuing;

- (e) the Segregated Account has not been invalidated by court order; and
- (f) solely in respect of the consummation of the Offer to Purchase, there shall have been entered a Settlement Approval Order.

2.4 Acceptance of Offer to Purchase. Each Settling Bondholder agrees to accept the Offer to Purchase with respect to all LVM Insured Bonds beneficially owned by it, if made on the terms set forth herein.

2.5 Cancellation of Ambac Owned Bonds. Upon the occurrence of the Offer to Purchase Closing, AAC shall deliver to the LVM Trustee irrevocable written instructions to cancel LVM Insured Bonds owned by AAC prior to the Offer to Purchase Closing in the aggregate principal amount equal to the sum of (i) the product of the Tender Participation Ratio and \$2,500,000 in aggregate principal amount of Current Interest Bonds (rounded to the nearest minimum denomination of such bonds) and (ii) the product of the Tender Participation Ratio and \$6,000,000 in Capital Appreciation Bonds (rounded to the nearest minimum denomination of such bonds).

ARTICLE III COVENANTS AND OTHER AGREEMENTS

3.1 Certain Covenants of the Parties.

(a) Ambac, the Rehabilitator and the Settling Bondholders each agree that they shall take all reasonable and necessary steps to implement the provisions of this Agreement as efficiently and expeditiously as possible. Without limiting the foregoing, the parties shall in good faith furnish such information and shall negotiate and execute such further documentation as shall be reasonably necessary or desirable to implement the provisions of this Agreement and to more fully vest in the parties their rights and interests hereunder.

(b) The Settling Bondholders hereby confirm that they have withdrawn their objections to the Plan, without prejudice.

(c) The Settling Bondholders hereby confirm that: (x) on May 3, 2011 they filed a notice of withdrawal with prejudice with the Wisconsin Court of Appeals as to their participation in the appeal of the Circuit Court's May 27, 2010 Order relating to the bank group settlement (Wisconsin Court of Appeals Appeal No. 2010AP1291); and (y) on October 28, 2011, they filed a notice of withdrawal without prejudice with the Wisconsin Court of Appeals as to their participation in the appeal (the "Discrimination Appeal") of the Circuit Court's July 16, 2010 Order denying their motion relating to the allocation of the Ambac Policies to the Segregated Account (Wisconsin Court of Appeals Appeal No. 2010AP2022).

(d) The Settling Bondholders hereby agree and confirm that, as authorized under the LVM Indenture, they have directed the LVM Trustee (and such direction remains outstanding, unmodified and applicable to this Agreement as amended and restated), and agree that they will use commercially reasonable efforts (which shall include, but not be limited to, objecting to the funding by trustee-held funds of actions by the LVM Trustee contrary to or inconsistent with the actions to be taken by the LVM Trustee as described in clause (i) through (v), *inclusive*, of this paragraph (d)) to cause the LVM Trustee, to do the following: (i) take such action as shall be necessary or desirable to effectuate the Ambac Release in accordance with the terms of this Agreement; (ii) discontinue and withdraw its objections and opposition to the Rehabilitator's Plan, without prejudice; (iii) upon the occurrence of the Offer to Purchase Closing, withdraw and discontinue with prejudice those motions, objections and appeals

commenced by the LVM Trustee on April 5, 2010 and any other litigation in respect of Ambac brought by or on behalf of the holders of LVM Insured Bonds as provided in subsections 3.1(f) and 3.2(b) hereof, and (iv) otherwise cooperate (subject to the LVM Trustee's rights, duties, privileges and immunities under the LVM Indenture and applicable law) with the consummation of each Offer to Purchase Closing. Notwithstanding the preceding sentence, the Settling Bondholders shall not be required to use commercially reasonable efforts to cause the LVM Trustee to take any actions which it is not permitted to take under the LVM Indenture or under applicable law.

(e) Provided that Ambac is not in material breach of its obligations under this Agreement, the Settling Bondholders agree that neither the failure of the conditions to, nor the failure to consummate, the Offer to Purchase constitutes a ground for staying the confirmed Plan.

(f) Upon the occurrence of the Offer to Purchase Closing, the Settling Bondholders shall withdraw with prejudice all motions, objections, actions and claims they have asserted, including all appeals thereof, against the Segregated Account, including, without limitation, in the proceeding styled in the Matter of the Rehabilitation of Segregated Account of Ambac Assurance Corporation (Case No. 10-CV-1576) (the "Rehabilitation Proceeding"), or against AAC.

3.2 Certain Agreements.

(a) Upon the Offer to Purchase Closing, the Settling Bondholders shall promptly withdraw their Discrimination Appeal with prejudice.

(b) The Settling Bondholders represent and agree that, in the event any LVM Bondholder other than the Settling Bondholders seeks to engage Kramer Levin Naftalis & Frankel LLP and/or their local Wisconsin counsel, Parrett & O'Connell, LLP, after the execution of this Agreement in respect of any matter, action or proceeding that (i) involves the Segregated Account or AAC and (ii) would conflict with the interests of any of the Settling Bondholders under their engagement agreements with either of these law firms, the Settling Bondholders shall not consent to waive that conflict.

(c) In the event that the Offer to Purchase Closing as contemplated by Article II does not occur by reason other than a breach by the Settling Bondholders of their obligations under this Agreement, then:

(i) The Settling Bondholders will be entitled to renew their objections to the Plan (the "LVM Plan Objections"), which will be decided by the Circuit Court, on an expedited basis, based on the record created at the Plan Confirmation Hearing by OCI, Ambac and any objecting parties, without the presentation of any additional evidence or new issues. Ambac and the Rehabilitator hereby waive any right to oppose these objections on any ground relating in any way to (i) delay or timeliness, (ii) estoppel, or (iii) other procedural matters, but may oppose these objections on any other ground. If the Circuit Court denies the LVM Plan Objections, the Settling Bondholders may file a notice of appeal from that denial; and

(ii) the Settling Bondholders may, at their election, seek to restore or renew their participation in the Discrimination Appeal, provided that, if the Wisconsin Court of Appeals has already ruled on that appeal, the Settling Bondholders may seek to participate in any appeal from the Court of Appeals' decision, in each instance with the full rights of an appellant or appellee as the case may be. Ambac and the Rehabilitator will not oppose the Settling Bondholders' efforts in this regard nor object to a representation by the Settling Bondholders to the Wisconsin Court of Appeals (or to the Wisconsin Supreme Court, as the case may be) that it is the intent of the parties to this Agreement that the Settling Bondholders be restored to the status they would have enjoyed

in connection with this appeal had they not filed their October 28, 2011 notice of withdrawal without prejudice. If the Wisconsin Court of Appeals has ruled on the Discrimination Appeal, and that ruling is final either because the time for petitioning the Supreme Court for review has expired or the Supreme Court has denied review, then the parties to this Agreement will treat the final decision as res judicata on the Discrimination Motion issues.

(d) As promptly as reasonably practicable after the execution of this Agreement, the Rehabilitator shall file a motion with the Circuit Court seeking the Settlement Approval Order.

3.3 LVM Bankruptcy Proceeding.

(a) Upon the occurrence of the Offer to Purchase Closing, Ambac shall withdraw with prejudice all claims filed in the chapter 11 proceedings for LVMC, Case No. 10-10464 (Bankr. D. Nev.) (the "LVM Bankruptcy Proceeding"), and all actions commenced by Ambac in the LVM Bankruptcy Proceeding, including without limitation AAC's appeal of the bankruptcy court's eligibility decision, other than claims that Ambac has or will have against LVMC relating to the Ambac Policies on account of LVM Insured Bonds owned by Non-Participating Holders.

(b) Effective as of the occurrence of the Offer to Purchase Closing, Ambac hereby assigns to the LVM Trustee, for the benefit of the LVM Bondholders, but without representation, warranty or recourse, any and all claims that Ambac has or will have against LVMC relating to the Ambac Policies including, but not limited to, any claims for subrogation, contribution and/or indemnification, other than in the event the Offer to Purchase has been consummated, claims that Ambac has or will have against LVMC relating to the Ambac Policies on account of LVM Insured Bonds owned by Non-Participating Holders.

(c) Ambac acknowledges and confirms that, notwithstanding anything contained herein or in the Plan (or any amendments or modifications thereto), if the Offer to Purchase shall be consummated, the Participating Holders shall be entitled to receive and/or retain for their own benefit all right, title and interest in and to the right to receive the New Securities and the Other Consideration.

(d) From and after the execution of this Agreement, and for so long as the Offer to Purchase is neither consummated by the dates required hereunder nor abandoned or terminated as of an earlier date in accordance with the provisions of this Agreement, the Settling Bondholders and Ambac shall generally cooperate in good faith with respect to the LVM Bankruptcy Proceeding and attempt in good faith to resolve any differences they may have in any matter relating to such bankruptcy proceeding; provided, that Ambac, on the one hand, and the Settling Bondholders, on the other, shall not be bound by the provisions of this Section 3.3(c) if the other party is in material breach of the terms of this Agreement.

3.4 Representation and Covenant of the Settling Bondholders.

(a) Representation. Each Settling Bondholder represents and warrants, solely as to itself and its affiliates, that, as of the date of the amendment and restatement of this Agreement, it has sole beneficial ownership of the percentage of outstanding LVM Insured Bonds set forth on Schedule A hereto and that it has all requisite power and authority to enter into this Agreement with respect to such LVM Insured Bonds and, with respect to each Settling Bondholder, it has all requisite power and authority to cause its respective affiliates to perform the obligations in respect of LVM Insured Bonds owned by such affiliates to be performed by the Settling Bondholders in respect of LVM Insured Bonds under this Agreement;

(b) Covenant. Each of the Settling Bondholders, on behalf of themselves and the accounts and/or funds managed or controlled by them that are the owners of LVM Insured Bonds, covenants and agrees that it will not sell, assign, dispose of or otherwise transfer any LVM Insured Bonds except to a transferee that executes and delivers to AAC an acknowledgement in form and substance reasonably satisfactory to AAC pursuant to which such transferee shall acknowledge and agree that it is acquiring such LVM Insured Bonds subject to the rights of Ambac hereunder, that such transferee agrees to be bound by the terms of this Agreement and the obligations undertaken by the Settling Bondholders herein with respect thereto, and that such obligations shall be enforceable by Ambac as against such transferee; provided, that having agreed in writing as set forth in this Section 3.4(b), such transferee shall be entitled to all rights and privileges of a Settling Bondholder under this Agreement.

3.5 Reinstatement. If this Agreement is invalidated or “unwound” for any reason, including without limitation the entry of an order finding this Agreement or any transfer made thereunder to be a voidable preference or fraudulent transfer or conveyance, then all rights and remedies of the Settling Bondholders, OCI, the Rehabilitator, Ambac and the Segregated Account with respect to the Ambac Policies, as such rights existed immediately prior to the execution of this Agreement, shall be reinstated in full.

ARTICLE IV RELEASE

4.1 Ambac Release. Effective as of the Offer to Purchase Closing, and in consideration of the agreements herein of the Settling Bondholders, including the release provided in Section 4.2 below, for good and valuable consideration, the sufficiency of which it hereby acknowledges, Ambac, on behalf of itself, its predecessors, successors and assigns and its past, present and future officers, directors, shareholders employees, agents, receivers, trustees, attorneys and legal representatives, hereby forever releases (subject to Sections 3.5 and 4.4 hereof) each Settling Bondholder (including all of its past and present parent companies, subsidiaries, divisions, affiliates, agents, joint ventures, predecessors, successors, transferees, assigns, subrogees, insurers, co-insurers, reinsurers, policyholders, attorneys, partners, principals, members, directors, officers, employees, stockholders, owners, representatives and anyone claiming by or through them) from any and all Claims (as defined below) of any nature whatsoever, whether known or unknown, reported or unreported, that Ambac (and/or any person claiming by or through Ambac) ever had, now has or can, shall or may have, by reason of any matter, cause or thing at any time prior to the Offer to Purchase Closing, as the case may be, solely to the extent the same arise out of or in any way relate to the Rehabilitation Proceeding, the Ambac Policies, the LVM Bankruptcy Proceeding, any transaction under or in connection with the LVM Indenture or the transaction documents relating thereto or otherwise related to the LVM Insured Bonds. For the avoidance of doubt, this Section 4.1 shall not apply to any insured bonds or other instruments (other than LVM Insured Bonds, if any) that are insured by financial guaranty policies of the general account as of the date of this Agreement but which policies are thereafter allocated to the Segregated Account.

4.2 Settling Bondholder Release. Effective as of the Offer to Purchase Closing, and in consideration of the agreements herein of Ambac, including the release provided in Section 4.1 above, for good and valuable consideration, the sufficiency of which it hereby acknowledges, each Settling Bondholder, on behalf of itself, its predecessors, successors and assigns and its past, present and future officers, directors, shareholders employees, agents, receivers, trustees, attorneys and legal representatives, hereby forever releases (subject to Sections 3.5 and 4.4 hereof) Ambac (including all of its past and present parent companies, subsidiaries, divisions, affiliates, agents, joint ventures, predecessors, successors, transferees, assigns, subrogees, insurers, co-insurers, reinsurers, policyholders, attorneys, partners, principals, members, directors, officers, employees, stockholders, owners, representatives and anyone claiming by or through them) from any and all Claims of any nature whatsoever, whether known

or unknown, reported or unreported, that any Settling Bondholder (and/or any person claiming by or through any Settling Bondholder) ever had, now has or can, shall or may have, by reason of any matter, cause or thing at any time prior to the Offer to Purchase Closing, as the case may be, solely to the extent the same arise out of or in any way relate to the Rehabilitation Proceeding, the Ambac Policies, the LVM Bankruptcy Proceeding, any transaction under or in connection with the LVM Indenture or the transaction documents relating thereto or otherwise related to the LVM Insured Bonds. For the avoidance of doubt, this Section 4.2 shall not apply to any insured bonds or other instruments (other than LVM Insured Bonds, if any) that are insured by financial guaranty policies of the general account as of the date of this Agreement but which policies are thereafter allocated to the Segregated Account.

4.3 Arm's Length Transaction. This Agreement is the product of arm's length negotiations and the terms of this Agreement have been completely read and fully understood and voluntarily accepted by the parties, having the benefit of the advice of counsel. The parties further state their intent to release known and unknown, and past, present and future, claims on the terms set forth herein and expressly waive and disavow the application of any statutory or common law protection against the release of unknown or future claims.

4.4 No Release of This Agreement. Notwithstanding the foregoing releases, it is explicitly agreed and understood that the parties are not releasing, acquitting, discharging or waiving any of their rights specifically provided for in this Agreement.

4.5 No Admission of Liability. This Agreement is made without any admission of liability by any party, and the existence of this Agreement or the use of any term or condition herein shall not be used as an admission or evidence against any party in any subsequent dispute, action or proceeding.

4.6 Definition of Claims. For purposes of this Article IV, the term "Claims" means any action or actions, cause or causes of action, in law or in equity, suits, liens, liabilities, claims, demands, obligations, damages, punitive damages, losses, costs, expenses and attorneys' fees of any nature.

ARTICLE V MISCELLANEOUS

5.1 Regulatory and Documentation Requirements. Consummation of the Offer to Purchase shall be subject to all applicable legal, governmental and other regulatory consents and approvals and satisfactory documentation.

5.2 Confidentiality. Each of the parties hereto shall maintain and shall cause each of its officers, directors, employees, advisors (including accountants), bondholder pricing agent and other representatives (collectively, its "Representatives") to maintain the confidentiality of this Agreement and its substance, except that each such party and its Representatives may disclose such information (i) to any governmental or regulatory agencies with authority over such party, (ii) to the extent required by applicable law, rule or regulation or applicable accounting requirements, (iii) in connection with any action to enforce this Agreement or any provision of this Agreement, (iv) pursuant to any proceeding in the Circuit Court with respect to the Settlement Approval Order (including a motion requesting entry of the Settlement Approval Order) or any appeal thereof (as determined to be necessary or advisable by counsel to Ambac or the Rehabilitator), including steps leading to a potential proceeding, that might involve this Agreement or any provision of this Agreement or the substance hereof (including disclosure of the fact that the Settling Bondholders (who constitute more than two-thirds of the LVM Bondholders) have agreed to the Offer to Purchase pursuant to this Agreement) and (v) to the extent such information shall be in the public domain without breach by any party of its obligation hereunder. Notwithstanding the preceding sentence, the Settling Bondholders and their Representatives may disclose this Agreement and

its substance to the LVM Trustee or to any permitted transferee or permitted potential transferee of the LVM Insured Bonds, in each case, provided that such LVM Trustee, permitted transferee or permitted potential transferee, as applicable, agrees in writing to be bound for the benefit of all parties to this Agreement by the provisions of this Section 5.2.

5.3 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Wisconsin applicable to contracts to be performed entirely within such jurisdiction.

5.4 Jurisdiction. In the event that there is a dispute between or among the parties arising under this Agreement, the parties (i) agree that the exclusive forum to seek remedy or assert any claims shall be the Circuit Court, and (ii) hereby expressly submit to the personal jurisdiction and venue of such courts for the purposes thereof and expressly waive any claim of lack of personal jurisdiction and improper venue and any claim that such courts are an inconvenient forum. The parties further agree that, to the extent the Rehabilitation Proceeding is pending, the exclusive forum to seek any such remedy or assert any such claims shall be the Rehabilitation Proceeding. Each party hereby irrevocably consents to the service of process of any of the aforementioned court in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the address of the parties set forth in Section 5.11, such service to become effective ten (10) days after such mailing.

5.5 Entire Agreement. This Agreement sets forth the entire agreement between the parties with respect to the matters addressed herein, supersedes all prior communications, written or oral, with respect hereto and may be amended or waived only by a writing signed by each of the parties hereto, subject to Section 5.10 hereof; *provided, however*, that the consent and signature of the Segregated Account shall only be required with respect to any amendment to or waiver of Section 3.1(a), 3.1(b), 3.1(c), 3.2(d), 3.5 or 5.2 hereof.

5.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, taken together, shall constitute one and the same Agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or pdf (or similar electronic signed copy) shall be as effective as delivery of an original executed counterpart hereof.

5.7 Waiver of Trial by Jury. Each party hereto irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the transactions contemplated hereby or the actions of the parties hereto in the negotiation, performance or enforcement in respect of any of the foregoing.

5.8 No Third Party Beneficiaries. This Agreement shall inure to the benefit of the parties hereto and their respective permitted successors and assigns and no third party shall be a beneficiary hereof or have rights hereunder.

5.9 Subject Matter Limitation. This Agreement is intended to address the settlement and termination of the Ambac Policies, and matters related to the Ambac Policies and the LVM Insured Bonds, and is not intended to address any transaction or circumstance other than the transactions and circumstances expressly described herein.

5.10 Consent Requirement; Fees and Expenses. Whenever under this Agreement the consent, approval, direction or instruction of the Settling Bondholders is authorized or required, it shall be sufficient if such consent, approval, direction or instruction shall be delivered by Settling Bondholders holding, directly or by their affiliates, in the aggregate ninety percent (90%) of the principal or accreted

amount (determined as of the Valuation Date) of the LVM Insured Bonds held by all Settling Bondholders in the aggregate, directly or by accounts or funds managed or controlled by them. It is understood and agreed that neither AAC, the Segregated Account nor the Rehabilitator has any obligation to review or approve any LVM Trustee Fees and Expenses or Settling Bondholder Expenses.

5.11 Notices. All notices, requests, claims, demands, or other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) (i) by delivery in person, (ii) by an internationally recognized overnight courier service, (iii) by facsimile or electronic mail (upon electronic confirmation of delivery), or by registered or certified mail (postage prepaid, return receipt requested), to the respective parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 5.11):

(a) If to Ambac:

Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
Attention: Stephen M. Ksenak, General Counsel, and David N. Abramowitz,
Managing Director and General Counsel, Public Finance
Facsimile: (212) 208-3384 and (212) 208-3476
Electronic Mail: sksenak@ambac.com and DAbramowitz@ambac.com

With a copy to:

Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY 10019
Attention: Barbara Goodstein
Facsimile: (212) 649-9371
Electronic Mail: bgoodstein@dl.com

(b) If to the Rehabilitator:

Special Deputy Commissioner for the Segregated Account of Ambac Assurance Corporation
c/o Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
Attention: Roger A. Peterson
Electronic Mail: roger.peterson@wisconsin.gov

With a copy to:

Foley & Lardner LLP
150 East Gilman Street
PO Box 1497
Madison, WI 537010
Attention: Michael B. Van Sicklen and Kevin G. Fitzgerald
Facsimile: (608) 258-4258 and (414) 297-4900
Electronic Mail: mvsicklen@foley.com and kfitzgerald@foley.com

(c) If to the Settling Bondholders:

Stone Lion Capital Partners L.P.
461 Fifth Avenue, 14th Floor
New York, NY 10017
Attention: General Counsel
Facsimile: (212) 843-1376

Restoration Capital Management LLC
325 Greenwich Avenue #1
Greenwich, CT 06830
Attention: General Counsel
Facsimile: (203) 769-5807

Nuveen Asset Management
333 W. Wacker Drive
Chicago, IL 60606
Attention: General Counsel and Chief Investment Officer
Facsimile: (312) 917-7952 and (312) 917-8211

With a copy to:

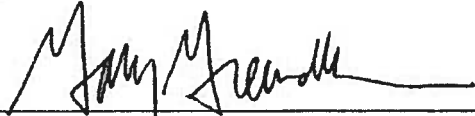
Kramer Levin Naftalis & Frankel LLP
1177 Avenue of Americas
New York, NY 10036
Attention: Amy Caton and Phillip Bentley and Abbe Dienstag
Facsimile: (212) 715-8000
Electronic Mail: acaton@kramerlevin.com and pbentley@kramerlevin.com and
adienstag@kramerlevin.com

[Remainder of page intentionally left blank; signatures to follow]

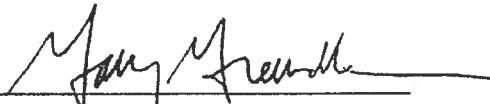
IN WITNESS WHEREOF, Ambac and the Settling Bondholders have caused this Agreement to be executed as of the date of the amendment and restatement hereof.

THE SEGREGATED ACCOUNT OF AMBAC ASSURANCE CORPORATION,

By: Ambac Assurance Corporation, as Management Services Provider

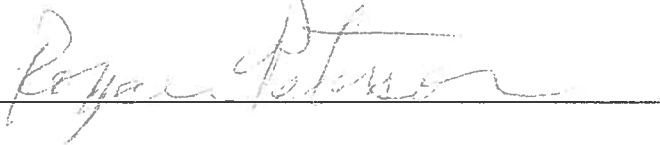
By: 
Name: _____
Title: GARY GREENDALE
MANAGING DIRECTOR

AMBAC ASSURANCE CORPORATION

By: 
Name: _____
Title: GARY GREENDALE
MANAGING DIRECTOR

SPECIAL DEPUTY COMMISSIONER FOR THE
SEGREGATED ACCOUNT on behalf of the Commissioner of
Insurance of the State of Wisconsin, as the court-appointed rehabilitator
for the Segregated Account of Ambac Assurance Corporation (only with
respect to Sections 3.1(a), 3.1(b), 3.1(c), 3.2(c), 3.5 and 5.2)

By:



A handwritten signature in cursive script, appearing to read "Roger Peterson", is written over a horizontal line.

Stone Lion Capital Partners L.P.:
By: SL Capital Partners LLC, Its General Partner
By: Stone Lion Capital LLC, Managing Member

STONE LION CAPITAL PARTNERS L.P., on behalf of
themselves and/or funds and accounts managed or controlled by
them, as an LVM Bondholder

By:

Name:
Title:


Gregory Hanley
Managing Principal

NUVEEN ASSET MANAGEMENT, on behalf of funds and accounts managed by them, as an LVM Bondholder

By: Thomas C Spalding
Name: THOMAS C SPALDING
Title: SR-V.P.

RESTORATION CAPITAL MANAGEMENT LLC, on behalf of
themselves and/or funds and accounts managed or controlled by them, as
an LVM Bondholder

By: *Pamela M. Lawrence*
Name: *Pamela M. Lawrence*
Title: *manager*

**SCHEDULE B
NET CASH CONSIDERATION**

<u>Type of LVM Insured Bond</u>	<u>CUSIP of the LVM Insured Bond</u>	<u>Aggregate Principal Amount of CIBs & Aggregate Accreted Value At Final Maturity of CABs Outstanding as of November 1, 2011</u>	<u>Cash Amount per \$1,000 Principal Amount of CIBs or \$1,000 Accreted Value At Final Maturity of CABs</u>
5.625% Term Bond Due 2032	25457VAA4	\$68,890,000	\$247.34
5.625% Term Bond Due 2034	25457VAB2	\$55,930,000	\$247.34
5.375% Term Bond Due 2040	25457VAC0	\$227,885,000	\$246.31
CAB due 2011	25457VAH9	\$7,590,000	\$224.22
CAB due 2012	25457VAJ5	\$7,450,000	\$222.22
CAB due 2013	25457VAK2	\$10,085,000	\$210.51
CAB due 2014	25457VAL0	\$9,720,000	\$199.01
CAB due 2015	25457VAM8	\$9,870,000	\$187.95
CAB due 2016	25457VAN6	\$12,120,000	\$177.26
CAB due 2017	25457VAP1	\$12,165,000	\$167.20
CAB due 2018	25457VAQ9	\$12,020,000	\$157.60
CAB due 2019	25457VAR7	\$14,430,000	\$148.42
CAB due 2020	25457VAS5	\$14,480,000	\$139.79
CAB due 2021	25457VAT3	\$14,360,000	\$131.58
CAB due 2022	25457VAU0	\$17,065,000	\$123.90
CAB due 2023	25457VAV8	\$16,940,000	\$116.75
CAB due 2024	25457VAW6	\$16,805,000	\$109.99
CAB due 2025	25457VAX4	\$19,505,000	\$103.61
CAB due 2026	25457VAY2	\$18,760,000	\$97.57
CAB due 2027	25457VAZ9	\$18,490,000	\$91.87
CAB due 2028	25457VBA3	\$21,095,000	\$86.62
CAB due 2029	25457VBB1	\$20,810,000	\$81.68

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 to Approve Amended Settlement Agreement with Certain LVM Bondholders (the "Motion"). 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 in open court, it is hereby **ORDERED** as follows:

- 1) The Rehabilitator's Motion is **GRANTED**.
- 2) The Rehabilitator and the Segregated Account may take all actions necessary to carry out the Amended and Restated Settlement Agreement, as described in the Rehabilitator's Motion and supporting documents.

Dated this ____ day of _____, 2011.

BY THE COURT:

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