

INSURER AGREEMENT AND RELEASE

This Insurer Agreement and Release (the "Insurer Agreement") is made and entered into by and among National Union Fire Insurance Company of Pittsburgh, Pa. ("National Union"), St. Paul Mercury Insurance Company ("St. Paul"), ACE Bermuda Insurance Ltd. ("ACE") and Federal Insurance Company ("Federal" and collectively with National Union, St. Paul and ACE, as insurers under the below-referenced policies, the "Insurers"), on the one hand, and Ambac Financial Group, Inc. ("Ambac") and Michael A. Callen, Jill M. Considine, Robert J. Genader, W. Grant Gregory, Philip B. Lassiter, Sean T. Leonard, Thomas C. Theobald, John W. Uhlein III, Laura S. Unger, Henry D.G. Wallace, David W. Wallis, Gregg L. Bienstock, Kevin J. Doyle, Philip Duff, Thomas J. Gandolfo, Kathleen McDonough, William T. McKinnon, Douglas C. Renfield-Miller, and Robert G. Shoback (collectively, the "Individual Defendants"), on the other hand. The Insurers, Ambac and the Individual Defendants collectively are referred to herein as the "Parties," and each, individually is referred to herein as a "Party."

WHEREAS, the Insurers issued the "Side A" insurance policies listed below for the period July 18, 2007 through July 18, 2009:

- (a) National Union issued Executive & Organization Insurance Liability Policy No. 662-14-75 (the "NU Policy"),
- (b) St. Paul issued Excess Policy No. 0590CM2820 (the "St. Paul Excess Policy"),
- (c) ACE issued Excess Policy No. ABK-11793D (the "ACE Excess Policy"), and
- (d) Federal issued Excess Policy No. 6804-8198 (the "Federal Excess Policy")

(the NU Policy, the St. Paul Excess Policy, the ACE Excess Policy and the Federal Excess Policy collectively are referred to as the “Policies”);

WHEREAS, beginning on or about January 16, 2008, a number of class action lawsuits were filed against Ambac and certain of its directors and officers alleging violations of the securities laws in connection with Ambac’s public statements regarding its exposure to mortgage-backed securities and the effects of the market downturns on those exposures, which later were consolidated into the matter captioned *In re Ambac Financial Group, Inc. Securities Litigation*, Civil Action No. 08-411-NRB (S.D.N.Y.);

WHEREAS, on or about December 24, 2008, a complaint was filed against Ambac and two directors and/or officers of Ambac alleging violations of the securities laws on behalf of purchasers of Structured Repackaged Asset-Backed Trust Securities issued on June 29, 2007 by a Wachovia subsidiary, in the United States District Court for the Southern District of New York, captioned *Tolin v. Ambac Financial Group*, Civil Action No. 08-11241-CM (S.D.N.Y.) (collectively with the *In re Ambac Financial Group, Inc. Securities Litigation*, the “Securities Actions”);

WHEREAS, beginning on or about January 24, 2008, a number of shareholder derivative actions were filed against Ambac, as a nominal defendant, and certain of its directors and officers alleging, among other things, violations of the securities laws, breach of fiduciary duty and gross mismanagement in connection with Ambac’s increased exposure to mortgage-backed securities and alleged failure to timely announce writedowns and loss reserves, which later were consolidated into the matters captioned *In re Ambac Financial Group, Inc. Derivative Litigation*, Civil Action No. 08-854-SHS (S.D.N.Y.), *In re Ambac Financial Group, Inc. Shareholders Derivative Litigation*, C.A. No. 3521-VCL (Del. Ch.), and *In re Ambac Financial Group, Inc.*

Shareholder Derivative Litigation, No. 650050/2008E (N.Y. Sup.) (the “Derivative Actions”) (the Securities Actions and the Derivative Actions are collectively referred to as the “Actions”);

WHEREAS, the Insurers were provided with notice of the Actions at a point in time at which the Insurers contended that there was no coverage at that time under the Policies for the Actions, but nevertheless the Insurers participated in negotiations toward a settlement of the Actions (which negotiations the Insurers premised upon Ambac filing for bankruptcy);

WHEREAS, pursuant to the terms of a memorandum of understanding entered into by Ambac, the Individual Defendants, the Insurers and plaintiffs in the Securities Actions on December 9, 2010, Ambac, the Individual Defendants and the plaintiffs in the Securities Actions are entering into a Settlement, as memorialized in a Stipulation of Settlement, dated as of May 4, 2011, the form of which is attached to this Insurer Agreement as **Exhibit A** (the “Stipulation”);

WHEREAS, Ambac has filed a voluntary petition for relief under chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), Case No. # 10-15973 (SCC) (the “Bankruptcy Case”); and

NOW, THEREFORE, in consideration of mutual promises and valuable consideration, the Parties, intending to be legally bound, agree as follows:

1. Payments by the Insurers

a. As provided in paragraph 8 of the Stipulation, within fifteen (15) business days after (i) entry of preliminary approval of the Settlement by the district court, and (ii) the provision to the Insurers of wire transfer or check payment instructions, the Insurers shall pay by wire transfer or check, severally in the amounts set forth in subparagraphs (b)(i)-(iv) below, the

sum of Twenty-Four Million and Six Hundred Thousand Dollars and No Cents (\$24,600,000.00) into the escrow account referred to in paragraph 8 of the Stipulation (the "Escrow Account").

b. The Insurers' individual payments shall be as follows:

- (i) National Union: \$9,600,000;
- (ii) St. Paul: \$9,000,000;
- (iii) ACE: \$3,375,000; and
- (iv) Federal: \$2,625,000.

Notwithstanding the foregoing, in the event that prior to the \$24,600,000 being placed into the Escrow Account, an Insurer has actually paid amounts pursuant to the terms of its Policy such that the payment of the Insurer's contribution to the Escrow Account would result in the Insurer having paid more pursuant to the terms of its Policy than the limit of liability for covered Loss provided by that Policy, then the Insurer whose Policy lies immediately excess of such exhausted Policy shall pay into the Escrow Account (in addition to its contribution as set forth above) the portion of such underlying Insurer's or Insurers' required contribution(s) into the Escrow Account which exceeds such underlying Insurer or Insurers' then unexhausted limit(s) of liability, provided that in no such event shall any Insurer be required under this Insurer Agreement, the Stipulation or otherwise to pay covered Loss in excess of such Insurer's respective limit of liability under its Policy.

c. Each Insurer may, in its discretion, fund its portion of the \$24,600,000 settlement payment into the Escrow Account prior to the deadline set forth in paragraph 1(a) above.

d. The agreed contributions of the Insurers to the Settlement shall, when paid into the Escrow Account pursuant to this Insurer Agreement, be deemed paid and unavailable for (i) the Ehrenreich Action or any other Claim that might be submitted under the Policies or (ii) any

defense costs resulting from the Settled Claims as defined in the Stipulation, unless and until such time as such contributions are returned to the Insurers as set forth in paragraph 40 of the Stipulation.

e. If at any point after any Insurer has funded its agreed contribution to the Settlement, such Insurer has exhausted the remaining limit of liability of its Policy by payment of covered Loss, the Insurer whose Policy lies immediately excess of the exhausted Policy shall be responsible to pay any additional covered Loss out of the then unexhausted portion of its limit of liability.

f. The obligation of each Insurer to make its respective payment is several, not joint. No Insurer shall be liable for the failure of any other Insurer to make its own payment, except as otherwise provided herein or in the Policies.

2. Releases

Upon or contemporaneous with the occurrence of the Effective Date as provided in paragraph 35 of the Stipulation and the events specified in paragraph 3 below, including entry of Final Judgment approving all aspects of the Settlement:

a. (i) Ambac, on its own behalf and (to the fullest extent of Ambac's power to do so) on behalf of each of its present or former subsidiaries (collectively, the "Ambac Entities"), and the Individual Defendants shall release and discharge the Insurers and each of the Insurers' present or former parents, divisions, subsidiaries, associates, representatives, predecessors, successors, owners, assigns, and their present, former and future directors, agents, principals, officers, employees, claim managers, trustees, insurers and reinsurers (acting solely in such capacity), representatives or any of them, and their attorneys and all persons acting by, through or under them, of and from all manner of

claims, actions, causes of actions, suits, controversies, costs, damages, judgments, and demands whatsoever, known or unknown, in law, contract or in equity, including those for extra-contractual liability and for defense costs incurred prior to or after the bankruptcy filing, which any of the Ambac Entities and the Individual Defendants now have, claim to have, or in the future may have against the Insurers with respect to the Settled Claims (as defined in paragraph 1 of the Stipulation) that are released in accordance with paragraph 3 of the Stipulation. This release and discharge shall include any assertion that, in connection with the Settled Claims or the Actions, the Insurers breached any obligation under or in connection with any of the Policies.

(ii) Ambac and the Individual Defendants, each for himself, herself or itself, represent that as of December 9, 2010, to the best of the knowledge of each as of that date, no claims had been asserted against any of the Individual Defendants as to which the Policies would respond, beyond those that have been notified or are referenced in this Insurer Agreement. If any of the Individual Defendants contend that they are entitled to coverage under the Policies for a Claim or Loss that is not a Settled Claim that has been released in accordance with paragraph 3 of the Stipulation, then, as provided in the Policies, the Insurers shall pay or advance Loss only in the event that an Ambac Entity is neither permitted nor required to indemnify such Individual Defendant, or in the event that the applicable Ambac Entity for which such person acted as officer, director or employee is unable to pay such Loss due to Financial Insolvency or refuses to pay such Loss, and in such an event, as provided in the Policies, the Insurers shall be entitled to seek to recover from the applicable Ambac Entity the amounts advanced, pursuant to Clause 13 (subrogation) of the Policies.

(iii) The release and discharge provided for in this paragraph 2(a) specifically does not include any claims for coverage arising out of (x) claims asserted in the individual action, *Ehrenreich v. Ambac*, No. 09-cv-10173-BSJ, currently pending the United States District Court for the Southern District of New York (the “Ehrenreich Action”); and/or (y) claims asserted by any person who is not a member of the Class (as defined in paragraph 1 of the Stipulation) or who timely and validly requests exclusion from the Class.

(iv) The release and discharge provided for in this paragraph 2(a) specifically does not include any claims arising out of the Insurers’ obligations under this Agreement.

b. (i) The Insurers hereby release and discharge Ambac and the Individual Defendants and each of their present or former parents, divisions, subsidiaries, associates, representatives, predecessors, successors, owners, assigns, and their present, former and future directors, agents, principals, officers, employees, claim managers, trustees, insurers and reinsurers (acting solely in such capacity), representatives or any of them, and their attorneys and all persons acting by, through or under them, of and from all manner of claims, actions, causes of actions, suits, controversies, costs, damages, judgments, and demands whatsoever, known or unknown, in law, contract or in equity, including those for extra-contractual liability and for costs incurred prior to or after the bankruptcy filing, which Insurers now have, claim to have, or in the future may have against Ambac and the Individual Defendants with respect to the Settled Claims that are released in accordance with paragraph 3 of the Stipulation. This release and discharge shall include any assertion that, in connection with the Settled Claims or the Actions, Ambac or any

Individual Defendant breached any obligation under or in connection with any of the Insurers' policies of insurance; and

(ii) The release and discharge provided for in this paragraph 2(b) specifically does not include any claims arising out of (A) claims asserted in the Ehrenreich Action; (B) claims asserted by any person who is not a member of the Settlement Class or who timely and validly requests exclusion from the Settlement Class; and/or (C) Ambac's obligations under this Agreement.

c. The Parties acknowledge that: (i) they may have sustained damages, expenses and losses in connection with the claims released pursuant to paragraphs 2(a) and 2(b) hereof, which are presently unknown or not suspected and that such damages, expenses and losses, if any, may give rise to additional damages, expenses and losses in the future which are not now anticipated by them; and (ii) this Agreement and the foregoing releases have been negotiated and agreed upon despite this realization and, being fully advised, expressly waive any and all rights they may have under any statute or common law principle which would limit the effect of the foregoing releases to those damages, expenses and losses sustained in connection with the claims released pursuant to paragraphs 2(a) and 2(b) hereof actually known or suspected to exist at the time of the effectiveness of the foregoing releases. This paragraph 2(c) is not intended to, and does not, alter or expand the scope of the releases set forth in paragraphs 2(a) and 2(b) hereof.

3. Effectiveness of Releases

a. The granting of the releases set forth in paragraph 2 of this Insurer Agreement is expressly conditioned on, and such releases will only become effective and operable upon, the occurrence of the Effective Date as provided in paragraph 35 of the Stipulation, including all of the following:

(i) (A) Approval of the Stipulation by the appropriate district court(s), and (B) approval and confirmation by the Bankruptcy Court of a plan of reorganization in respect of Ambac (the “Plan of Reorganization”), or approval by the Bankruptcy Court of the Settlement provided for in the Stipulation and this Insurer Agreement by motion under Rule 9019 of the Federal Rules of Bankruptcy Procedures in accordance with paragraph 35(f) of the Stipulation, including in either case any necessary approvals related to Ambac’s entry into and performance of any obligations under the Stipulation and this Insurer Agreement. The Stipulation and Plan of Reorganization or the Rule 9019 approval order referred to in (A) and (B) shall collectively include the releases, bars, and covenants contemplated by paragraphs 3, 5, 6, 7 and 35(f) of the Stipulation and paragraph 2(a) of this Insurer Agreement.

(ii) The entry of, and expiration of time for appeal from or resolution of any appeal from, Final Judgment approving the Settlement. “Final Judgment” shall mean collectively (A) the judgment(s), approval(s) or order(s) entered by the appropriate district court(s) to which the Securities Actions are assigned, approving the Settlement and dismissing the actions as against Ambac and the Individual Defendants with prejudice and without costs to any party, and (B) the approval and confirmation of the Plan of Reorganization by the Bankruptcy Court or order of final approval under Rule

9019 by the Bankruptcy Court; such judgment(s), approval(s) or order(s) of the appropriate district court(s) and approval and confirmation of the Plan of Reorganization by the Bankruptcy Court or final approval under Rule 9019 by the Bankruptcy Court shall collectively contain the releases, bars, and covenants contemplated by paragraphs 3, 5, 6, 7 and 35(f) of the Stipulation and paragraph 2(a) of this Insurer Agreement. Final Judgment shall be deemed to have occurred when such judgment(s), approval(s), order(s) of the appropriate district court(s), and approval and confirmation of the Plan of Reorganization or final approval under Rule 9019 by the Bankruptcy Court, have become final and are no longer subject to further appeal or review (whether by lapse of time or otherwise). If multiple judgments, approvals or orders by multiple courts are required, entry of Final Judgment shall be deemed to have occurred upon the last of the necessary judgments, approvals or orders having become final and no longer subject to appeal or review.

(iii) Satisfaction of all covenants set forth herein, including but not limited to the approval by the bankruptcy court of Ambac's entry into this Insurer Agreement and the releases by Ambac provided for in paragraph 2(a).

b. This Insurer Agreement shall be null and void and of no force and effect, and shall not be deemed to prejudice in any way the positions of the Parties with respect to the Actions, should any of the conditions set forth in this paragraph 3 not be met and, in such event (i) the Stipulation provides that all funds in the Escrow Account (less amounts paid and incurred for Notice and Administration Costs as provided in paragraph 17 of the Stipulation) shall be returned to Ambac and the Insurers in accordance with the terms of the Stipulation; (ii) this Insurer Agreement and any negotiations, proceedings or statements had or made in connection

with this Insurer Agreement shall not be used or referred to by any of the Parties in any manner or for any purpose; and (iii) the Parties shall be restored to their respective positions immediately prior to the execution and delivery of this Insurer Agreement or any predecessor memorandum of understanding.

4. Certain Additional Covenants

a. Ambac shall pay defense costs incurred by the existing counsel for Ambac and the Individual Defendants in connection with the efforts of Ambac and the Individual Defendants to obtain court approval of the Settlement, subject to any necessary approvals by the Bankruptcy Court (which Ambac shall seek).

b. If any claim barred and enjoined by the judgment(s), approval(s) or order(s) contemplated by paragraph 35(f) of the Stipulation is asserted against any Released Party (as defined in the Stipulation), notwithstanding such judgment(s), approval(s) or order(s), Ambac shall retain counsel on behalf of such Released Party to seek the dismissal of and defend against such claim, so as to effectuate such judgment(s), approval(s) or order(s), and shall (subject to any necessary Bankruptcy Court approvals, which Ambac shall seek) pay the fees and expenses of such counsel and other defense costs of such Released Party.

c. Nothing in this Insurer Agreement or the Stipulation shall preclude the Individual Defendants from seeking to recover from the Insurers defense costs incurred or that may be incurred if Final Judgment does not occur or defense costs, including costs in connection with efforts to obtain court approval of a settlement or to enforce or assert the releases or bar orders provided by a settlement, if those defense costs have not been paid by Ambac.

5. Additional Representations

a. Each of the Parties for himself, herself or itself represents and warrants that he, she, or it has not sold, assigned, pledged, transferred, or otherwise conveyed any interest in the Policies or in the claims, actions, causes of actions, suits, controversies, costs, damages, judgments or demands that are the subject of paragraph 2 above.

b. Each individual executing this Insurer Agreement on behalf of an Individual Party represents that he or she is authorized by his or her client(s) to enter into and execute this Insurer Agreement on behalf of said Party.

c. Each individual executing this Insurer Agreement on behalf of a corporate Party represents that he or she is authorized to enter into and execute this Insurer Agreement on behalf of said Party and that the appropriate corporate resolutions or other consents have been passed and/or obtained.

6. No Admissions or Precedential Value

The provisions contained in this Insurer Agreement shall not be deemed a presumption, a concession, or an admission by any Party (or any person or entity associated with any Party) of any fault, liability, or wrongdoing as to any facts or claims alleged or asserted in the Actions, or any other actions or proceedings, or of any liability or obligation under any of the Policies, and shall not be interpreted, construed, deemed, invoked, offered, or received in evidence, or otherwise used by any person in the Actions or any other actions or proceedings, whether civil, criminal, or administrative, or otherwise referred to or argued as precedent for any liability or obligation under the Policies or any other insurance policy, except for purposes of proceedings to enforce the obligations under this Insurer Agreement and with respect to the approval of the Settlement contemplated by this Insurer Agreement and the Stipulation. The Parties further

agree and acknowledge that this Insurer Agreement carries no precedential value and should not be relied upon by any person as evidence of any obligations of any of the Insurers under other identical or similar policies.

7. Successors and Assigns

This Insurer Agreement and the terms, conditions, obligations, undertakings, rights and benefits hereof shall be binding upon, and shall inure to the benefit of, each of the Insurers and their respective heirs, executors, administrators, successors and assigns, and each of Ambac and the Individual Defendants and their respective heirs, executors, administrators, successors and assigns.

8. Non-Settling Insurer

None of the releases or other protections set forth in this Insurer Agreement shall release any claims against or otherwise protect RLI Insurance Company. No Party is releasing any claim against RLI Insurance Company.

9. Governing Law

This Insurer Agreement and any dispute, controversy, difference or claim arising out of or relating to this Insurer Agreement, including but not limited to the express or implied rights or obligations of one Party to another, or the alleged breach, termination, invalidity or formation thereof, shall be governed by and interpreted according to the laws of New York, without regard to its conflict of law rules.

10. Advice of Counsel

By signing this Agreement and agreeing to the general releases contained herein, the Parties acknowledge that they have been advised with respect thereto by their respective attorneys, and that they have been afforded ample opportunity to review this Agreement and

the releases, and that they have read and understand this Agreement and the releases.

11. Interpretation

The language used in this Insurer Agreement is language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party hereto. The Parties hereby acknowledge and agree that they have been represented by counsel in the negotiation and drafting of this Insurer Agreement and this Insurer Agreement has been prepared equally and jointly by the Parties, and shall not be construed against any Party as the drafter.

Furthermore, no Party shall make reference to drafts of this Insurer Agreement, or additions, deletions or changes made therein or therefrom, in any argument regarding the interpretation of this Insurer Agreement or the intent of the parties concerning any provision of this Insurer Agreement.

12. Confidentiality

No Party shall initiate any public statements or communications concerning this Insurer Agreement or the Settlement pending preliminary approval of the Settlement by the appropriate court(s) unless mutually agreed by counsel for the other Parties; provided, however, that (i) Ambac and the Insurers may provide copies of this Insurer Agreement to any of the Individual Defendants and their respective counsel or advisers, if any, and to any accountants, auditors, reinsurers, attorneys or other agents for Ambac or any of the Insurers; (ii) the Parties may make any communications with courts or with shareholders or creditors of Ambac, or committees thereof and counsel or other advisers thereto, that are necessary to effectuate the terms of this Insurer Agreement or the Settlement contemplated herein; and (iii) any of the Parties may make any communications or disclosures as may be required by law or compliance with SEC or other regulatory requirements in the judgment of its counsel, including without limitation disclosures

in any press release, 8-K, 10-Q or 10-K filing by Ambac or other Ambac Entity. If any communication or disclosure pursuant to subparagraph (ii) or (iii) above includes the identity of any Insurer or the amount of any Insurer's payment pursuant to this Insurer Agreement, then the Party making such communication or disclosure shall make reasonable efforts to provide advance notice of the communication to the Insurer and shall discuss with the Insurer any concerns the Insurer may have with regard to the communication, however, nothing shall restrict a Party from making any communication in accordance with the terms of subparagraphs (ii) or (iii) that the Party deems necessary or required. The Parties understand that drafts of this Insurer Agreement and the final version of this Insurer Agreement will be shared with various parties involved in Ambac's bankruptcy proceeding and that the final version of this Insurer Agreement will be filed and served on various parties as required by Bankruptcy Court rules and procedures. It is further understood that Ambac will seek Bankruptcy Court authorization to enter into this Insurer Agreement by filing with the Bankruptcy Court and serving on various parties the final version of this Insurer Agreement as required by Bankruptcy Court rules and procedures..

13. Notice

Any notice required by this Insurer Agreement shall be given via mail and facsimile as follows:

a. Ambac Financial Group, Inc. :

Dewey & LeBoeuf, LLP
Peter Ivanick, Esq.
Allison Weiss, Esq.
1301 Avenue of the Americas
New York, NY 10019
(212) 259-8000
(212) 259-6333 (facsimile)

b. The Individual Defendants:

Wachtell, Lipton, Rosen & Katz
Peter C. Hein, Esq.
Warren R. Stern, Esq.
Lee Wilson, Esq.
51 West 52nd Street
New York, New York 10019
(212) 403-1000
(212) 403-2000 (facsimile)

c. National Union Fire Insurance Company of Pittsburgh, Pa.:

National Union Fire Insurance Company of Pittsburgh, Pa.
c/o Assistant Vice President National and FI Complex Claims
Chartis Claims, Inc.
175 Water Street
New York, NY 10038

D'Amato & Lynch, LLP
Michael Manire, Esq.
Two World Financial Center
New York, NY 10281
(212) 909-2183
(212) 269-3559 (facsimile)

d. St. Paul Mercury Insurance Company:

St. Paul Mercury Insurance Company
James Hynes
Senior Claims Counsel
385 Washington Street
St. Paul, Minnesota 55102
(651) 310-2682
(866) 608-9632 (facsimile)

e. ACE Bermuda Insurance Ltd.:

Bailey Cavalieri, LLC
Dan Bailey, Esq.
10 W. Broad Street, Suite 2100
Columbus, Ohio 43215
(614) 229-3213
(614) 221-0479 (facsimile)

f. Federal Insurance Company:

Chubb & Son, a division of Federal Insurance Company
Brendan Kelly
Assistant Vice President
15 Mountain View Road
Warren, NJ 07059
(908) 903-5694
(908) 903-2027 (facsimile)

14. Further Assurances

Each Party agrees to execute and deliver such other documents and instruments and to take further action as may be reasonably necessary to fully carry out the intent and purposes of this Insurer Agreement.

15. Headings

The headings contained in this Insurer Agreement are solely for convenience of reference and shall not affect the interpretation of any of the provisions herein.

16. Mediator

The Participants agree that, prior to final approval by the appropriate court(s) of the Settlement, the Honorable Nicholas H. Politan will continue to serve as a mediator for any disputes or issues that may arise relating to the Settlement.

17. Integration

This Insurer Agreement, as well as the Stipulation attached hereto as Exhibit A and the Memorandum of Understanding dated December 8, 2010 that was entered into between and among Ambac, the Individual Defendants, the Insurers, and the plaintiffs in the Securities Actions, constitute the entire agreement between the Parties and supersede all prior or contemporaneous agreements, understandings, representations, warranties, negotiations and discussions, whether oral or written, of the Parties or their agents and representatives with respect to the subject matter, except as specifically set forth herein. Each Party acknowledges and agrees that it has not relied on any representations made by any other Party (or its agents or representatives) in deciding to enter into this Insurer Agreement, except as expressly provided by this Insurer Agreement. No supplements or modifications or waiver or terminations of this Insurer Agreement shall be binding unless executed in writing by the Parties to be bound thereby. The Insurers consent to Ambac and the Individual Defendants' entry into the Stipulation and the Insurers agree to pay the amounts contemplated to be paid by the Insurers in the Stipulation as provided in paragraph 1 herein.

18. Counterparts

To facilitate execution, the Parties agree that this document may be executed in separate counterparts, at different locations and on different dates. Executed copies of this Insurer Agreement shall be given the same effect as the original.

19. ACE

The execution and performance of this Insurer Agreement and any action by ACE or its attorneys or agents in connection with the Settlement or the ACE Excess Policy shall not be deemed to be and shall not constitute any admission of or any evidence that ACE in any way

does business in the United States, or any state, territory or possession of the United States, or that ACE is subject to the jurisdiction of any United States federal court, or of any court of any state, territory, possession or jurisdiction of the United States. Any dispute between ACE and the Individual Defendants or Ambac under or relating to this Agreement or the Stipulation shall be resolved pursuant to the arbitration provision in the ACE Excess Policy.

IN WITNESS WHEREOF, the Parties agree to and have executed this Insurer Agreement on this fourth day of May, 2011.

CHARTIS CLAIMS, INC., on behalf of
NATIONAL UNION FIRE INSURANCE
COMPANY OF PITTSBURGH, PA.

By: 

Edward Drummond
Assistant Vice President
175 Water Street
New York, New York 10038
(212) 458-1598
(866) 837-5639 (facsimile)

ST. PAUL MERCURY INSURANCE
COMPANY

By: _____

James Hynes
Senior Claims Counsel
385 Washington Street
St. Paul, Minnesota 55102
(651) 310-2682
(866) 608-9632 (facsimile)

On behalf of *ACE Bermuda Insurance Ltd.*

By: BAILEY CAVALIERI, LLC,
counsel to the above

By: _____

Dan Bailey
10 W. Broad Street, Suite 2100
Columbus, Ohio 43215
(614) 229-3213
(614) 221-0479 (facsimile)

FEDERAL INSURANCE COMPANY

By: _____

Brendan R. Kelley
AVP, Chubb & Son, a division of Federal
Insurance Company
15 Mountain View Road
Warren, New Jersey 07059
(908) 903-5694
(908) 903-2027 (facsimile)

does business in the United States, or any state, territory or possession of the United States, or that ACE is subject to the jurisdiction of any United States federal court, or of any court of any state, territory, possession or jurisdiction of the United States. Any dispute between ACE and the Individual Defendants or Ambac under or relating to this Agreement or the Stipulation shall be resolved pursuant to the arbitration provision in the ACE Excess Policy.

IN WITNESS WHEREOF, the Parties agree to and have executed this Insurer Agreement on this fourth day of May, 2011.

CHARTIS CLAIMS, INC., on behalf of
NATIONAL UNION FIRE INSURANCE
COMPANY OF PITTSBURGH, PA.

ST. PAUL MERCURY INSURANCE
COMPANY


By: _____
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Assistant Vice President
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New York, New York 10038
(212) 458-1598
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By: _____
James Hynes
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385 Washington Street
St. Paul, Minnesota 55102
(651) 310-2682
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On behalf of *ACE Bermuda Insurance Ltd.*

FEDERAL INSURANCE COMPANY

By: BAILEY CAVALIERI, LLC,
counsel to the above

By:  _____
Dan Bailey
10 W. Broad Street, Suite 2100
Columbus, Ohio 43215
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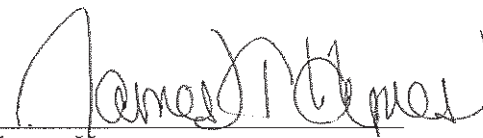
does business in the United States, or any state, territory or possession of the United States, or that ACE is subject to the jurisdiction of any United States federal court, or of any court of any state, territory, possession or jurisdiction of the United States. Any dispute between ACE and the Individual Defendants or Ambac under or relating to this Agreement or the Stipulation shall be resolved pursuant to the arbitration provision in the ACE Excess Policy.

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385 Washington Street
St. Paul, Minnesota 55102
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On behalf of *ACE Bermuda Insurance Ltd.*

FEDERAL INSURANCE COMPANY

By: BAILEY CAVALIERI, LLC,
counsel to the above

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Columbus, Ohio 43215
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does business in the United States, or any state, territory or possession of the United States, or that ACE is subject to the jurisdiction of any United States federal court, or of any court of any state, territory, possession or jurisdiction of the United States. Any dispute between ACE and the Individual Defendants or Ambac under or relating to this Agreement or the Stipulation shall be resolved pursuant to the arbitration provision in the ACE Excess Policy.

IN WITNESS WHEREOF, the Parties agree to and have executed this Insurer Agreement on this fourth day of May, 2011.

CHARTIS CLAIMS, INC., on behalf of
NATIONAL UNION FIRE INSURANCE
COMPANY OF PITTSBURGH, PA.

ST. PAUL MERCURY INSURANCE
COMPANY


By: _____
Edward Drummond
Assistant Vice President
175 Water Street
New York, New York 10038
(212) 458-1598
(866) 837-5639 (facsimile)

By: _____
James Hynes
Senior Claims Counsel
385 Washington Street
St. Paul, Minnesota 55102
(651) 310-2682
(866) 608-9632 (facsimile)

On behalf of *ACE Bermuda Insurance Ltd.*

FEDERAL INSURANCE COMPANY

By: BAILEY CAVALIERI, LLC,
counsel to the above

By:  _____
Brendan R. Kelley
AVP, Chubb & Son, a division of Federal
Insurance Company
15 Mountain View Road
Warren, New Jersey 07059
(908) 903-5694
(908) 903-2027 (facsimile)

By: _____
Dan Bailey
10 W. Broad Street, Suite 2100
Columbus, Ohio 43215
(614) 229-3213
(614) 221-0479 (facsimile)

On behalf of Ambac Financial Group, Inc.

By: DEWEY & LEBOEUF, LLP
Counsel to the above

By: _____

Peter Ivanik, Esq.
Allison Weiss, Esq.
1301 Avenue of the Americas
New York, NY 10019
(212) 259-8000
(212) 259-6333 (facsimile)

Peter C. Hein (pchein@wlrk.com)
Warren R. Stern (wrstern@wlrk.com)
Lee Wilson (clwilson@wlrk.com)
WACHTELL, LIPTON, ROSEN & KATZ
51 West 52nd Street
New York, New York 10019
(212) 403-1000
(212) 403-2000 (facsimile)

On behalf of Michael A. Callen, Jill M. Considine, Robert J. Genader, W. Grant Gregory, Philip B. Lassiter, Sean T. Leonard, Thomas C. Theobald, John W. Uhlein III, Laura S. Unger, Henry D.G. Wallace, and David W. Wallis

By: WACHTELL, LIPTON, ROSEN & KATZ,
counsel to the above

By: _____

Peter C. Hein (pchein@wlrk.com)
Warren R. Stern (wrstern@wlrk.com)
Lee Wilson (clwilson@wlrk.com)
51 West 52nd Street
New York, New York 10019
(212) 403-1000
(212) 403-2000 (facsimile)

On behalf of Gregg L. Bienstock, Kevin J. Doyle, Philip Duff, Thomas J. Gandolfo, Kathleen McDonough, William T. McKinnon, Douglas C. Renfield-Miller, Robert G. Shoback


By: WACHTELL, LIPTON, ROSEN & KATZ,
counsel to the above

By: _____

Peter C. Hein (pchein@wlrk.com)
Warren R. Stern (wrstern@wlrk.com)
Lee Wilson (clwilson@wlrk.com)
51 West 52nd Street
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(212) 403-1000
(212) 403-2000 (facsimile)

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Allison Weiss, Esq.
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Warren R. Stern (wrstern@wlrk.com)
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