

ATTORNEYS AT LAW

VEREX PLAZA
150 EAST GILMAN STREET
MADISON, WI 53703-1481
POST OFFICE BOX 1497
MADISON, WI 53701-1497
608.257.5035 TEL
608.258.4258 FAX
foley.com

September 28, 2011

WRITER'S DIRECT LINE
608.258.4206
mvansicklen@foley.com EMAIL

VIA HAND DELIVERY

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 is the Rehabilitator's Notice of Motion and Motion to Approve Commutation of Policy No. AB1029BE (the "AAardvark IV Policy"). The hearing on the motion is scheduled for October 13, 2011 at 11:00 a.m. before Judge Johnston at the Lafayette County Courthouse. The Notice of Motion includes the information you asked us to provide about the tele-court procedure.

We have served the Notice of Motion and Motion on all parties-in-interest on the service list via e-mail and posted copies on the Court-approved website. Thank you for your attention to this matter.

Very truly yours,

FOLEY & LARDNER LLP


Michael B. Van Sicklen

Enclosure

cc: Honorable William D. Johnston (w/enclosure, via first-class mail)
Skip Stern (VFN Purchasers' Counsel) (with enclosure, via email)
Lindsay Jernigan (BONY Trustee's Counsel) (with enclosure, via email)
Jeff Stern (OppenheimerFunds, Inc.'s Counsel) (with enclosure, via email)
All Other Counsel Previously of Record (with enclosure, via email)

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 COMMUTATION OF POLICY NO. AB1029BE
(The "AAardvark IV Policy")**

**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 motion described below. That hearing will be on Thursday, October 13, 2011, commencing at 11:00 a.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 parties interested in appearing telephonically should make the appropriate arrangements in advance of the hearing by calling 800-924-5680.

PLEASE ALSO TAKE FURTHER NOTICE that any objections to the relief requested in the motion by the Rehabilitator should be filed and served by no later than noon (Central Time) on Tuesday, October 11, 2011.

MOTION

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 the Court’s approval of the commutation of Financial Guaranty Policy No. AB1029BE (the “AAardvark IV Policy”), which insures the AAardvark IV Funding Limited program (the “AAardvark Program” or “Program”). The liabilities of Ambac under the AAardvark IV Policy were allocated to the Segregated Account on March 24, 2010.

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 here by reference.

2. The AAardvark IV Policy insures the AAardvark Program, which is a multiple-asset security program consisting of twenty-eight different securities. The securities are of various types, including residential mortgage-backed securities, commercial asset-backed securities, and student loan-backed securities. The securities were initially purchased by AAardvark IV Funding Limited, with Harbourview Asset Management Corporation as investment advisor and OppenheimerFunds, Inc. as administrative agent. The securities were generally funded through the issuance of asset-backed commercial paper by conduits sponsored by HSBC, National Australia Bank, and the Bank of Nova Scotia (the “Counterparty Banks”). As of August 31, 2011, the total gross par outstanding for the twenty-eight securities was \$601,120,058.

3. The AAardvark IV Policy guarantees shortfalls of interest when due and ultimate principal for all of the twenty-eight securities in the Program. As to seven of the twenty-eight securities in the Program, Ambac issued, in addition to the AAardvark IV Policy, a separate, primary insurance policy that provides coverage to all of the investors in the issuance of such security. These investors would include AAardvark IV Funding Limited as well as other investors. The present commutation will not eliminate the Segregated Account's liability under those seven primary insurance policies and the projected losses on which the commutation price is based do not include any future liability attributable to the primary policies on those seven securities.

4. Ambac and the Segregated Account have negotiated a Termination and Release Agreement (the "Agreement") with the Counterparty Banks and other parties, pursuant to which Ambac and the Segregated Account will be fully and completely released from their obligations under the AAardvark IV Policy in exchange for a cash payment to the Counterparty Banks in the amount of \$13.7 million. The Agreement does not call for the issuance of any surplus notes. The Agreement will become effective upon approval of this motion by the Court. A true and correct copy of the Agreement is attached as Exhibit A, and the terms and conditions therein are incorporated here by reference.

5. The Agreement's commutation price of \$13.7 million represents 28.5% of the Rehabilitator's estimate of the total projected claims under the AAardvark IV Policy assuming a straight average of base case and stress case projected claim estimates (discounted to present value). The Rehabilitator believes that this percentage is less than non-settling policyholders in the Segregated Account will receive by way of the present value of their projected ultimate recoveries under either the 25% cash/75% surplus note

structure provided by the current Plan of Rehabilitation approved by this Court or any of the amended plan structures presently being considered by the Rehabilitator.

6. The 28.5% estimate described in prior paragraph 5 of this motion is conservative (e.g., on the high side) in at least three significant respects. First, in evaluating claim exposures in the Segregated Account, the Rehabilitator and his advisors have generally given greater weight to the higher stress case evaluations than to base case estimates. If the present AAardvark IV Policy commutation were evaluated solely against the Rehabilitator's stress case estimates, the commutation price would be under 20.0%. Second, the losses on which the 28.5% was calculated were derived from modeling the portfolio during the first quarter of 2011. Based on the evaluation of his advisors, the Rehabilitator believes that there has been further deterioration in the residential mortgage-backed and student loan securities covered by the AAardvark IV Policy subsequent to the first quarter of 2011. Third, the above-referenced base and stress case evaluations did not incorporate any losses on primary insured policies from other (non-Ambac) financial guarantors in the loss analysis (including a highly distressed RMBS security with a current principal balance of \$34 million in the Program); had they done so, the estimated losses would have been higher.

7. In addition to the financially favorable structure of the Agreement, the Rehabilitator believes that the Agreement is in the best interests of non-settling policyholders, creditors, the public and the Segregated Account generally for the following reasons:

- The residential mortgage-backed securities and student loan securities in the AAardvark Program are subject to high performance volatility, which creates a risk of higher than projected claims in the future. Commuting the AAardvark IV Policy now for a fixed price eliminates that risk.

- Because of the numerous and various types of securities included in the AAardvark Program, it consumes a disproportionately large amount of Ambac's and the Segregated Account's monitoring and surveillance resources. The Agreement will allow the Rehabilitator to devote those resources to other important tasks.
- The AAardvark program is currently the subject of ongoing litigation between the Counterparty Banks, AAardvark IV Funding Limited, Harbourview Asset Management Corporation, and OppenheimerFunds, Inc. Ambac and the Segregated Account have been devoting significant internal and external legal resources to monitoring that litigation. The Agreement will eliminate the need to devote those resources to the litigation.

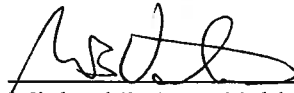
8. By Order dated August 31, 2011, this Court confirmed the procedures to be followed by the Rehabilitator for resolving claims through alternative resolutions. Because the Agreement pertaining to the AAardvark IV Policy contemplates payment of cash by the Segregated Account in excess of the \$10 million cut-off specified in paragraph 1(b) of the Court's August 31, 2011 Order, the Rehabilitator is bringing this proposed alternative resolution to the Court for approval.

9. Time is of the essence in obtaining approval of the Agreement. Under the terms of the Agreement, the other parties may refuse to consummate the transaction if it is not approved by this Court on or before Friday, October 14, 2011. Therefore, the Rehabilitator respectfully requests that the Court approve this commutation.

WHEREFORE, for all of the reasons stated above, the Rehabilitator respectfully requests that the Court grant the Rehabilitator approval to proceed to close and consummate the Agreement and commute AAardvark IV Policy, Ambac Policy No. AB1029BE.

Dated this 28th day of September, 2011.

FOLEY & LARDNER LLP

By: 
Michael B. Van Sicklen, SBN 1017827
Jeffrey A. Simmons, SBN 1031984
Matthew R. Lynch, SBN 1066370

150 East Gilman Street
Post Office Box 1497
Madison, Wisconsin 53701
Telephone: (608) 257-5035
Facsimile: (608) 258-4258

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

EXHIBIT A

TERMINATION AND RELEASE AGREEMENT

This **TERMINATION AND RELEASE AGREEMENT** (this "Agreement"), dated as of September 22, 2011, is by and among (i) **AMBAC ASSURANCE CORPORATION** ("Ambac"), individually and in its capacity as management services provider for the Segregated Account, (ii) the **SEGREGATED ACCOUNT OF AMBAC ASSURANCE CORPORATION** (the "Segregated Account"), (iii) **THE BANK OF NEW YORK MELLON** (successor in interest to JPMorgan Chase Bank, N.A.), as Collateral Agent (in such capacity, the "Collateral Agent"), as Securities Intermediary (in such capacity, the "Securities Intermediary"), as Custodian (in such capacity, the "Custodian") and as Issuing and Paying Agent (in such capacity, the "Issuing and Paying Agent"), (iv) **TSL (USA) INC.**, as Conduit Purchaser ("TSL"), and **NATIONAL AUSTRALIA BANK, LIMITED**, as Alternate Purchaser and as Funding Agent ("NAB"), each under the TSL Note Purchase Agreement (as defined below), (v) **LIBERTY STREET FUNDING CORP.**, as Conduit Purchaser ("Liberty"), and **THE BANK OF NOVA SCOTIA**, as Alternate Purchaser and Funding Agent ("BONS"), each under the Liberty Note Purchase Agreement (as defined below) and (vi) **BRYANT PARK FUNDING LLC**, as VFN Purchaser ("Bryant"), **HSBC BANK USA, N.A.** as Alternate Purchaser ("HSBC"), and **HSBC SECURITIES (USA) INC.**, as Agent ("HSBC Securities"), each under the Bryant Note Purchase Agreement (as defined below) (each of TSL, NAB, Liberty, BONS, Bryant, HSBC and HSBC Securities collectively, the "VFN Purchasers"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Administration Agreement (as defined below).

WHEREAS, AAardvark IV Funding Limited, a Jersey, Channel Islands company (the "Company"), TSL and NAB are parties to that certain Note Purchase Agreement, dated as of September 21, 2006 (as amended, restated, supplemented or otherwise modified through the date hereof, the "TSL Note Purchase Agreement");

WHEREAS, the Company, Bryant, HSBC and HSBC Securities are parties to that certain Note Purchase Agreement, dated as of September 21, 2006 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Bryant Note Purchase Agreement");

WHEREAS, the Company, Liberty and BONS are parties to that certain Note Purchase Agreement, dated as of September 21, 2006 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Liberty Note Purchase Agreement" and, along with the TSL Note Purchase Agreement and the Bryant Note Purchase Agreement, the "Note Purchase Agreements");

WHEREAS, the Company and the Issuing and Paying Agent entered into that certain Issuing and Paying Agency Agreement, dated as of September 21, 2006 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Issuing and Paying Agency Agreement");

WHEREAS, the Company and OppenheimerFunds, Inc., a Colorado corporation, as administrative agent (in such capacity, the "Administrative Agent") are parties to that certain

Administration Agreement, dated as of September 21, 2006 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Administration Agreement");

WHEREAS, Ambac, the Administrative Agent, Harbourview Asset Management Corporation, as Investment Advisor (the "Investment Advisor"), the Company, the Collateral Agent, and the Issuing and Paying Agent entered into that certain Insurance Agreement, dated as of September 21, 2006 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Insurance Agreement"), pursuant to which Ambac issued to the Issuing and Paying Agent, for the benefit of the VFN Purchasers, the Financial Guaranty Policy No. AB1029BE (as amended, restated, supplemented or otherwise modified through the date hereof, the "Policy");

WHEREAS, the liabilities of Ambac under the Policy were allocated to the Segregated Account pursuant to Wisconsin Statute §611.24(2) and the Segregated Account was placed in rehabilitation proceedings pursuant to that certain Order for Rehabilitation issued by the Circuit Court of Dane County, in each case on March 24, 2010; and

WHEREAS, the parties hereto desire to (i) terminate and cancel the Policy and release Ambac from all obligations thereunder, and (ii) enter into the mutual releases provided for herein (the transactions contemplated in preceding clauses (i) and (ii) collectively referred to as the "Policy Termination"), in each case on the terms and subject to the conditions herein set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Effectiveness. The effectiveness of the Policy Termination (such date of effectiveness being the "Policy Termination Date") is subject to, and shall automatically occur upon, the satisfaction of the following conditions:

(a) Ambac and the Segregated Account shall have received a copy of this Agreement duly executed by each other party hereto;

(b) The original Policy shall have been surrendered to Ambac for cancellation (which may be received by Dewey & LeBoeuf LLP on Ambac's behalf);

(c) Ambac shall have received payment of the Accrued Premium and Expenses (as defined below);

(d) The Segregated Account shall have paid to the Issuing and Paying Agent, in consideration of the Policy Termination, the amount of U.S. \$13,700,000 (the "Cash Consideration"), by a wire transfer of U.S. Dollars to be received by no later than 4:00 p.m., New York time, on the Policy Termination Date, in immediately available funds, to the following account:

Bank of New York Mellon
ABA 021 000 018
GLA 211-705
A/C 627409
Ref: AAARDVARK IV Interest Account

(e) The Special Deputy Commissioner of the Segregated Account of Ambac Assurance Corporation, Office of the Insurance Commissioner of the State of Wisconsin (the "Rehabilitator"), shall have consented, with effect from the Policy Termination Date, to the exercise by the parties to the Transaction Documents of their respective rights and remedies (if any) under the Transaction Documents as such actions would otherwise be enjoined or restrained by the Order for Temporary Injunctive Relief (the "Injunction Order") issued by the Dane County Circuit Court in *In re Matter of the Rehabilitation of Segregated Account of Ambac Assurance Corporation*, Case No. 10 CV 1576 (the "Segregated Account Proceeding") on March 24, 2010. The Rehabilitator's consent regarding the Injunction Order shall be granted consistent with paragraph 15 thereof; and

(f) The State of Wisconsin Circuit Court shall have entered an order in the Segregated Account Proceeding authorizing the Segregated Account to enter into this Agreement.

2. Issuing and Paying Agent's Direction and Indemnity.

(a) The Issuing and Paying Agent, as hereby directed by each VFN Purchaser, and on behalf of, and with the consent of, each of the VFN Purchasers, hereby irrevocably directs Ambac, as management services provider for the Segregated Account, to pay the Cash Consideration to the Issuing and Paying Agent (on behalf of all VFN Purchasers), in accordance with Section 1(d) hereof. The Issuing and Paying Agent and the VFN Purchasers confirm and agree that payment of the Cash Consideration by the Segregated Account to the Issuing and Paying Agent, as instructed pursuant to the preceding sentence, shall constitute consideration to all of the VFN Purchasers for the Policy Termination, and shall constitute full satisfaction by the Segregated Account of the conditions described in Section 1(d). Each of the VFN Purchasers and the Issuing and Paying Agent hereby acknowledges and agrees to such payment instructions.

(b) The Issuing and Paying Agent is hereby further directed by each VFN Purchaser to deliver the Policy to Ambac for cancellation (which may be delivered to and received by Dewey & LeBoeuf LLP on Ambac's behalf).

(c) The Issuing and Paying Agent is hereby further directed by each VFN Purchaser to remit to each VFN Purchaser its share of the Cash Consideration as determined in accordance with the allocation described in Section 7 below and pursuant to the wire transfer instructions on file with the Issuing and Paying Agent (or such other wire transfer instructions notified to the Issuing and Paying Agent by the applicable VFN Purchaser in writing at least two (2) Business Days prior to the Policy Termination Date).

(d) Each VFN Purchaser (the "Indemnifying Party") hereby agrees jointly and severally to indemnify, defend and hold the Issuing and Paying Agent (in each of its capacities

under the Transaction Documents) and each of its directors, officers, agents and employees (the Issuing and Paying Agent and each such other person being an "Indemnified Person") harmless from and against, without limitation, any and all losses, liabilities, judgments, claims, causes of actions, obligations, damages, penalties, suits, taxes, fees, costs and expenses (including without limitation its reasonable fees and expenses and the reasonable fees, expenses and disbursements of legal counsel, and the costs of enforcing this Agreement against any VFN Purchaser) (collectively referred to herein as "Losses") incurred or suffered by an Indemnified Person, in any way, directly or indirectly arising out of, related to, or connected with the compliance by an Indemnified Person with this Agreement or the instructions contained herein, and in any other instruction or direction from the VFN Purchasers to the Issuing and Paying Agent in connection with the transactions contemplated hereby (the "Instructions"), or the taking or not taking of action in accordance with this Agreement, or the enforcement of the indemnity contained herein, including, without limitation, any claim, cause of action, litigation, proceeding, action or investigation (whether civil, criminal or administrative and whether brought in tort, contract or otherwise and whether such Indemnified Person is a party to such litigation, proceeding or investigation) by any person, in any way directly or indirectly, arising out of, related to, or connected with, the Instructions or the other matters contemplated by this Agreement, including without limitation: (i) any claim, cause of action, litigation, proceeding, action or investigation (whether civil, criminal or administrative and whether sounding in tort, contract or otherwise and whether such Indemnified Person is a party to such litigation, proceeding or investigation) in any way directly or indirectly, arising out of, related to, or connected with, the taking by the Issuing and Paying Agent or any other Indemnified Person of action in accordance with the Instructions, and (ii) Losses resulting from, arising out of or in any manner connected with, directly or indirectly, (a) a determination that the Issuing and Paying Agent or any other Indemnified Person breached its or their duties under any of the Transaction Documents as a result of relying upon and complying with the Instructions, and/or (b) the enforcement of this Agreement; provided, however, that the foregoing indemnity (the "Indemnity") shall not be applicable to any Losses suffered or incurred by an Indemnified Person as a result of an Indemnified Person's bad faith, gross negligence or willful misconduct, as determined by a court of competent jurisdiction that is binding on such Indemnified Person, is final and is not subject to review on appeal.

The Indemnity authorized herein shall be in addition to any other remedies, relief or indemnification available to each Indemnified Person. The rights and remedies conferred hereunder shall be cumulative and the exercise or waiver of any such right or remedy shall not preclude or inhibit the exercise of additional rights or remedies or the subsequent exercise of such right or remedy. The Issuing and Paying Agent (in each of its capacities under the Transaction Documents) shall be afforded the same rights, protections, indemnities and immunities which it is afforded under the Transaction Documents as if such rights, protections, indemnities and immunities were set forth herein.

In furtherance of, and without limiting the foregoing, each of the VFN Purchasers acknowledges and agrees that it will jointly and severally bear all of the reasonable fees and expenses of the Issuing and Paying Agent's counsel incurred in connection with this Agreement and the fulfillment of the Instructions. In the event that a VFN Purchaser fails to pay any amount owing to the Issuing and Paying Agent hereunder within a sixty (60) day period, the Issuing and Paying Agent shall be entitled to retain any amounts then due and payable to such VFN

Purchaser in its capacity as holder of a Variable Funding Note under the Transactions Documents.

As promptly as reasonably practicable after receipt by an Indemnified Person hereunder of notice of the commencement of any action, such Indemnified Person will, if a claim in respect thereof is to be made against the Indemnifying Party hereunder, notify the Indemnifying Party of the commencement thereof; but the omission so to notify the Indemnifying Party will not relieve it from any liability that such Indemnifying Party may have to any Indemnified Person hereunder except to the extent that such Indemnifying Party has been materially prejudiced by such failure; provided, however, that the failure to so notify the Indemnifying Party shall not relieve it from any liability that such Indemnifying Party may have to any Indemnified Person otherwise than under this Agreement. In case any such action is brought against any Indemnified Person, and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein, and, to the extent that such Indemnifying Party may elect, by written notice delivered to the Indemnified Person promptly after receiving the aforesaid notice of the commencement of an action from such Indemnified Person, to assume (at its own expense) the defense thereof, with counsel satisfactory to such Indemnified Person (which counsel may be counsel to the Indemnifying Party), such Indemnifying Party shall not be liable for any legal or other expenses subsequently incurred by such Indemnified Person in connection with the defense thereof unless (i) the Indemnifying Party shall have agreed in writing to the continuing participation of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnifying Party and the Indemnified Person and representation of both parties by the same counsel would, in the opinion of such counsel, be inappropriate due to the actual or potential differing interests between them. If the Indemnifying Party assumes the defense of any proceeding, it shall be entitled to settle such proceeding with the written consent of the Indemnified Person, which will not be unreasonably delayed or, if such settlement provides for an unconditional release of the Indemnified Person in connection with all matters relating to the proceeding which have been asserted against the Indemnified Person in such proceeding by the other parties to such settlement, which release does not include an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party, without the written consent of the Indemnified Person.

3. Accrued Premium and Expenses. Ambac hereby confirms that (i) the aggregate costs and expenses (not including premium) accrued and unpaid through the date hereof is \$0 and (ii) additional premium and reasonable costs and expenses shall accrue for the period from the date hereof until and including the Policy Termination Date in accordance with the Insurance Agreement, in an amount to be identified by Ambac on or before the Policy Termination Date (the amounts described in clause (i) and (ii) hereof, collectively, the "Accrued Premium and Expenses").

4. Termination of the Policy; Other Covenants.

(a) Each of Ambac (individually and in its capacity as management services provider for the Segregated Account) and the Segregated Account, on behalf of themselves and each of their respective subsidiaries and affiliates and all of their respective predecessors, successors and assigns (each of the foregoing, an "Insurer Party", and, collectively, the "Insurer Parties") hereby agree and confirm that, effective on the Policy Termination Date and subject to

Section 4(c) hereunder, (i) the Policy shall be terminated, cancelled and of no further force and effect, and no provision of the Policy shall survive such termination and cancellation and (ii) no Insurer Party shall be the "Insurer" or the "Controlling Party" under the Transaction Documents.

(b) Each of the Collateral Agent, the Securities Intermediary, the Custodian, the Issuing and Paying Agent, and each of the VFN Purchasers, on behalf of themselves and each of their respective subsidiaries and affiliates and all of their respective predecessors, successors and assigns (each of the foregoing, a "Continuing Party"), hereby acknowledges, agrees and confirms that, effective on the Policy Termination Date and subject to Section 4(c) hereunder, (i) the Policy shall be terminated, cancelled, commuted in full, and of no further force and effect, and no provision of the Policy shall survive such termination and cancellation, (ii) no Insurer Party shall be the "Insurer" or the "Controlling Party" under the Transaction Documents and the Collateral Agent, acting on behalf of and at the written direction of the Majority VFN Purchaser, shall be the "Controlling Party" under the Transaction Documents, (iii) none of the Office of the Commissioner of Insurance of the State of Wisconsin, whether as Rehabilitator of the Segregated Account or otherwise ("OCI"), Ambac (individually and in its capacity as management services provider for the Segregated Account, as the Controlling Party, as the Insurer, or otherwise) or any other Insurer Party nor any of their respective past or present officers, directors, employees, attorneys, agents, partners, shareholders or managers, shall have any liabilities or obligations to any Continuing Party with respect to or under the Policy, the Insurance Agreement or any other Transaction Document, including, without limitation, with respect to Covered Losses and Avoided Payments (as each are defined in the Policy), (iv) all claims or Notices for Payment submitted by a Continuing Party to Ambac or the Segregated Account under or in connection with the Policy on behalf of the VFN Purchasers shall be deemed withdrawn and discharged in their entirety, and (v) no Continuing Party shall have any right to make any claims under or with respect to the Policy or any right to receive payments thereunder. Each Continuing Party agrees not to assert or represent in any court, tribunal, governmental authority, arbitration, legal or equitable proceeding, or any other forum or for any purpose that OCI, Ambac (individually and in its capacity as management services provider for the Segregated Account, as the Controlling Party, as the Insurer, or otherwise) or any other Insurer Party or any of their respective past or present officers, directors, employees, attorneys, agents, partners, shareholders or managers, has any liabilities or obligations to the Administrative Agent, the Investment Advisor, or any other Person with respect to or under the Policy, the Insurance Agreement or any other Transaction Document, including, without limitation, with respect to Covered Losses and Avoided Payments (as each are defined in the Policy).

(c) For the avoidance of doubt, it is understood and agreed that from and after the Policy Termination Date, Ambac shall not be entitled to (i) be paid Premium pursuant to Section 3.03 of the Insurance Agreement, (ii) reimbursement pursuant to Section 3.03(b) of the Insurance Agreement, (iii) reimbursement pursuant to Section 3.05(a) of the Insurance Agreement, nor (iv) rights of subrogation pursuant to Section 4.06 of the Insurance Agreement on account of the Cash Consideration paid nor any other consideration provided by Ambac pursuant to this Agreement. In addition, from and after the Policy Termination Date, Ambac shall not be entitled to (x) reimbursement from the Company pursuant to any of clauses (b), (c), or (d) of Section 3.05 of the Insurance Agreement nor (y) indemnification by the Company pursuant to Section 3.07 of the Insurance Agreement. Notwithstanding the foregoing, nothing in

this Section 4(c) shall affect any claims for reimbursement, indemnification, or otherwise, that Ambac may have against the Administrative Agent or the Investment Advisor.

(d) Each of the parties hereto hereby agrees that any requirement of notice of termination or delivery of any document required in connection with the termination of the Policy is hereby waived by each party entitled to such notice or document.

(e) Subject to the occurrence of the Policy Termination Date, each of the VFN Purchasers hereby directs the Issuing and Paying Agent, and the Issuing and Paying Agent hereby agrees, (i) not to make any claim, nor submit any Notices for Payment, under the Policy and (ii) in the event that, notwithstanding the termination of the Policy and the releases provided herein, Ambac is for any reason required to make a payment under the Policy, upon receipt of such payment on or after the Policy Termination Date, to promptly transfer such payment to Ambac pursuant to payment instructions to be provided by Ambac. In the event that Ambac is required to pay a claim under the Policy, upon a VFN Purchaser's receipt of all, or any portion, of such payment on or after the Policy Termination Date, such VFN Purchaser shall promptly transfer the amount received to Ambac pursuant to payment instructions to be provided by Ambac.

5. Releases of Claims.

(a) Effective as of the Policy Termination Date, subject to Section 5(d) hereunder, each Continuing Party fully and forever, absolutely, irrevocably and unconditionally releases, withdraws, waives and discharges, and covenants not to sue for, any and all Claims (as defined below) of every kind and character whatsoever, which such Continuing Party has, had or may ever have against any Insurer Party, OCI, or any of their respective past or present officers, directors, employees, attorneys, agents, partners, shareholders or managers, by reason of any act, omission, occurrence, misrepresentation, cause, claim, counterclaim, cross-claim, right, matter or other basis of liability founded either in tort or contract or otherwise, howsoever and at any time created, evidenced, arising or incurred, whether known or unknown, in connection with the Covered Securities (as defined in the Policy), the Policy, any other Transaction Document or any of the transactions contemplated therein or thereby, including, without limitation, any action or inaction of any Insurer Party, whether in its capacity as the "Insurer," the "Controlling Party" or otherwise. For the avoidance of doubt, this release shall not apply to any rights any Continuing Party may have under any Excluded Policy. As used herein, "Excluded Policy" means a policy (other than the Policy) issued by Ambac.

(b) Effective as of the Policy Termination Date, subject to Section 5(d) hereunder, each Insurer Party, fully and forever, absolutely, irrevocably and unconditionally releases, withdraws, waives and discharges, and covenants not to sue for, any and all Claims of every kind and character whatsoever, which such Insurer Party has, had or may ever have against any Continuing Party or any of their past and present officers, directors, employees, attorneys, agents, partners, shareholders and managers, by reason of any act, omission, occurrence, misrepresentation, cause, claim, counterclaim, cross-claim, right, matter or other basis of liability founded either in tort or contract or otherwise, howsoever and at any time created, evidenced, arising or incurred, whether known or unknown, in connection with the Covered Securities, the

Policy, any other Transaction Document or any of the transactions contemplated therein or thereby.

(c) For purposes of this Agreement, “Claims” means any claims, counterclaims, liens, demands, damages, punitive damages, losses, offsets, obligations, actions, causes of action, proceedings, remedies, sums of money, judgments, costs, expenses or any other liabilities (including fees and expenses of legal counsel, consultants and other advisors and costs of investigations), of any nature whatsoever, including, but not limited to claims based on breach of fiduciary duty or other legal duty, legal fault, negligence, negligent misrepresentation, offense, quasi-offense, ratification, promissory estoppel, breach of the implied covenant of good faith and fair dealing, any securities law or any other theory.

(d) Notwithstanding anything in this Agreement to the contrary, it is explicitly agreed and understood that the Insurer Parties and the Continuing Parties are not releasing, acquitting, discharging or waiving, or covenanting not to sue for, any Claim of any nature whatsoever that such party may ever have had, now has or can, shall or may have (i) by reason of any breach or violation of, or failure to comply with, any obligations under, issued under or incurred pursuant to, or actions required by, this Agreement (including, without limitation, by virtue of any representation or warranty given herein being false at the time it was given) or (ii) against the Company, the Administrative Agent, or the Investment Advisor.

(e) Effective from and after the Policy Termination Date, (i) no Continuing Party shall represent, warrant or otherwise state, or cause or permit any of their agents or other representatives to represent, warrant or otherwise state, that the Policy is or shall continue to be in effect or that any Insurer Party shall have any liability in respect of the Policy, the Insurance Agreement or any other Transaction Document; (ii) each VFN Purchaser, severally, shall indemnify and hold harmless each Insurer Party and each of their respective past and present officers, directors, employees, attorneys, agents, partners, shareholders and managers from and against any and all Claims of any nature arising as a result of a breach by such VFN Purchaser of the foregoing clause 5(e)(i); (iii) as a condition precedent to its sale, assignment, pledge, or other transfer of any Variable Funding Note, each VFN Purchaser shall notify each purchaser, assignee, pledgee or transferee thereof that the Policy has been terminated and has no further force and effect (it being agreed that affixing the legend set forth in Exhibit B hereto to the face of the applicable Variable Funding Note shall satisfy the forgoing notification requirement) and (iv) the Issuing and Paying Agent agrees that each new Variable Funding Note issued in replacement of an existing Variable Funding Note shall contain on the face thereof the legend set forth in Exhibit B.

(f) The parties hereto hereby covenant not to sue or institute any legal action or proceeding seeking to contest the validity, effectiveness or enforceability of this Agreement (including the releases provided herein by the Insurer Parties and the Continuing Parties) or the transactions contemplated hereby; provided however that nothing contained herein shall prohibit any party hereto from suing or instituting any legal action or proceeding to enforce this Agreement or any of the covenants, agreements, undertakings and indemnities contained herein or contemplated hereby.

(g) Each Continuing Party hereby agrees that it is not entitled to any refund or reimbursement of any Premium paid in respect of the Policy or any other payment or consideration from Ambac or the Segregated Account as a result of the termination and cancellation of the Policy other than the Cash Consideration.

6. Representations and Warranties of all Parties. As of the date hereof and as of the Policy Termination Date, each of the following parties represents and warrants as follows:

(a) Each party hereto represents and warrants as to itself that (i) it has the power and authority and is duly authorized to execute and deliver this Agreement, (ii) this Agreement has been duly executed and delivered and constitutes its legal and binding obligation, enforceable against it in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)), and (iii) the execution, delivery and performance by it of this Agreement does not and will not require any consent or approval from any governmental authority, equity owner or any other Person that has not been obtained, granted or procured, and is in full force and effect as of the date hereof.

(b) Each VFN Purchaser hereby represents and warrants that no Claims under the Policy or any other Transaction Document that it at any time had or may have against any Insurer Party, OCI, or any of their respective past or present officers, directors, employees, attorneys, agents, partners, shareholders or managers, have been assigned, sold, pledged or otherwise transferred to any other person or entity.

(c) The Issuing and Paying Agent hereby represents and warrants that (i) the register it maintains pursuant to Section 5(y) of the Issuing and Paying Agency Agreement reflects that TSL, NAB, Liberty, BONS, Bryant, HSBC and HSBC Securities are the only holders of the Variable Funding Notes, (b) to its knowledge, TSL, NAB, Liberty, BONS, Bryant, HSBC and HSBC Securities are the only VFN Purchasers and collectively own all of the Variable Funding Notes under each of the Note Purchase Agreements, (c) it has not assigned, sold, pledged or otherwise transferred, in whole or in part, its rights, title or interest, or the rights or interests of the VFN Purchasers in, to, or under the Policy, and (d) to its knowledge, no Person other than each of TSL, NAB, Liberty, BONS, Bryant, HSBC and HSBC Securities claims a beneficial interest in the Variable Funding Notes or in the Policy.

(d) Each VFN Purchaser hereby represents and warrants as to itself that (i) it is the legal and beneficial owner of the Variable Funding Note with the corresponding outstanding principal balance listed across from its name on the attached Schedule I and (ii) it has not assigned, sold, pledged or otherwise transferred, in whole or in part, any of its rights, title or interest in, to or under the Variable Funding Notes, the Policy (including, without limitation, any Covered Loss or Avoided Payments) or any other Transaction Document.

7. Application of Cash Consideration. The percentage interest of each of the VFN Purchasers in Cash Consideration is set forth on Schedule I attached hereto (for each VFN Purchaser, its "Applicable Percentage"). The parties hereto agree that, notwithstanding anything to the contrary contained in the Policy, the books and records of the Issuing and Paying Agent

shall reflect that each VFN Purchaser's Applicable Percentage of the Cash Consideration shall be applied to accrued and unpaid interest on each VFN Purchaser's respective Variable Funding Note, including any default interest accrued thereunder pursuant to the Transaction Documents. For purposes of clarification, such application has been determined on a basis consistent with the application of payments made under the Policy pursuant to Section 30(a)(iii) of the Issuing and Paying Agency Agreement, which requires that such payments be paid only to the VFN Purchasers and applied to interest and principal of the Variable Funding Notes in the same manner as set forth in Section 5.3 of the Security Agreement (first to accrued and unpaid interest and, second, to outstanding principal, which in this case requires payment of interest only since the aggregate amount of such accrued and unpaid interest exceeds the aggregate amount of the Cash Consideration).

8. Notice of Termination; Cessation of Premiums and Reimbursements. Upon the Policy Termination Date, the VFN Purchasers and Ambac shall provide joint written notice to the Company, the Administrative Agent, and the Investment Advisor, in the form attached as Exhibit A hereto, that (i) the Policy has been terminated, cancelled, commuted in full, and is of no further force and effect, (ii) upon termination of the Policy, the Collateral Agent, acting on behalf of and at the written direction from time to time of the Majority VFN Purchaser, became the "Controlling Party" under the Transaction Documents, and (iii) Ambac has waived any rights it may have to (A) be paid Premium pursuant to Section 3.03 of the Insurance Agreement, (B) reimbursement pursuant to Section 3.03(b) of the Insurance Agreement, (C) reimbursement pursuant to Section 3.05(a) of the Insurance Agreement, (D) subrogation pursuant to Section 4.06 of the Insurance Agreement on account of the Cash Consideration paid or any other consideration provided by Ambac pursuant to this Agreement, and (E) Ambac shall not be entitled to (x) reimbursement from the Company pursuant to any of clauses (b), (c), or (d) of Section 3.05 of the Insurance Agreement nor (y) indemnification by the Company pursuant to Section 3.07 of the Insurance Agreement *provided* that the termination of the Policy shall not affect any claims for reimbursement, indemnification, or otherwise that Ambac may have against the Administrative Agent or the Investment Advisor.

9. Confidentiality. Each of the parties hereto shall maintain and shall cause each of its officers, directors, employees, advisors and other representatives (collectively, its "Representatives") to maintain the confidentiality of this Agreement and its substance herein, except that each such party and its Representatives may disclose such information (i) to any governmental, judicial or regulatory authorities or agencies with authority over such party (and their advisors), (ii) to the extent required by any applicable law, rule, regulation, court or governmental order or process, (iii) in connection with any action to enforce this Agreement or any provision of this Agreement, (iv) to the extent such information shall be in the public domain without breach by any party of its obligations hereunder, (v) to its auditors, advisors and/or agents (including, without limitation, attorneys and accountants) (vi) in the case of a VFN Purchaser which funds its interest in its Variable Funding Note through the issuance of commercial paper notes, (a) to the rating agencies rating such commercial paper notes, (b) to holders of such commercial paper notes and (c) providers of liquidity and enhancement for the payment of such commercial paper notes *provided*, in the case of items (b) and (c), that such parties agree to be bound by a confidentiality provision containing substantially similar terms to those set forth in this Section 8, (vii) in the case of any VFN Purchaser, each assignee or potential assignee of such VFN Purchaser's Variable Funding Note *provided* that such assignee

or potential assignee agree to be bound by a confidentiality provision containing substantially similar terms to those set forth in this Section 8, and (viii) in the case of Ambac, (A) to a reinsurer of Ambac prior to the date hereof or (B) to a reinsurer of Ambac on or after the date hereof to the extent such disclosure is necessary for Ambac to obtain payment under its reinsurance agreements and such reinsurer is subject to confidentiality restrictions prohibiting it from disclosing such information to third parties, subject to customary exceptions. Notwithstanding the foregoing, the VFN Purchasers may disclose this Agreement or the terms thereof to the extent necessary to comply with their discovery obligations in the pending action entitled TSL (USA) Inc. et al. v. Oppenheimer Funds, Inc. et al. (New York Supreme Court, New York County, Index No. 600976/10), but any documents or information so disclosed shall be designated 'Confidential Information' under the Stipulation and Order for the Production and Exchange of Confidential Information in such action.

10. Governing Law; Jurisdiction. 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. 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 of the State of Wisconsin located in the County of Dane 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. 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 6.02 of the Insurance Agreement, such service to become effective ten (10) days after such mailing.

11. 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.

12. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement. Execution and delivery of this Agreement by delivery of facsimile or other electronic signatures shall have the same force and effect as delivery of manual signatures hereon.

13. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

14. Further Assurances. Each party hereto covenants in favor of the other parties hereto, upon specific written request by any party hereto, to execute and deliver all instruments

and documents, give all notices, make all endorsements and take all other actions as may be reasonably necessary or desirable to give full force and effect to the provisions of this Agreement.

15. Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns. No party hereto may assign or transfer any of its rights and/or obligations hereunder without the prior written consent of the other parties hereto.

16. Amendments. This Agreement may not be amended, supplemented or modified and no provision of this Agreement may be waived, in any manner other than by an agreement in writing signed by all of the parties to this Agreement. For the avoidance of doubt, the Policy Termination Deadline (as defined in Section 17 below) may be extended by written agreement of Ambac, the Segregated Account, and the VFN Purchasers and shall not require the written agreement of any other party.

17. Limitation. The Policy Termination Date shall in no event be later than the earlier to occur of (i) five (5) Business Days after the date on which the State of Wisconsin Circuit Court shall have entered an order in the Segregated Proceeding authorizing the Segregated Account to enter into this Agreement and (ii) October 15, 2011 (or such later date as is mutually agreed to in writing by Ambac, the Segregated Account, and the VFN Purchasers), and the failure of such Policy Termination Date to occur by such date (the "Policy Termination Deadline") in accordance with this Agreement shall render this Agreement null and void *ab initio* and of no force and effect. In the event that Ambac, the Segregated Account, and the VFN Purchasers agree to extend the Policy Termination Deadline beyond October 15, 2011, they shall provide prompt written notice of such extended date to the Issuing and Paying Agent.


18. Notices. All notices provided hereunder shall be in writing via mail, overnight courier service, facsimile or electronic communication and shall be deemed given upon actual receipt by the intended recipient or three Business Days after mailing if mailed by certified mail, postage prepaid (i) if to Ambac or the Segregated Account, addressed to Ambac Assurance Corporation, One State Street Plaza, New York, NY 10004, Attention: General Counsel, or by phone at (212) 668-0340, or by electronic mail to Commutation_Notifications@ambac.com, (ii) if to the Issuing and Paying Agent, Collateral Agent, Securities Intermediary or Custodian, addressed to The Bank of New York Mellon, 101 Barclay Street 4E, New York, NY 10286, Attn: Andrew Taylor, Fax No. (212) 815-2020, or by phone at (212) 815-2943, or by electronic mail to Andrew.J.Taylor@bnymellon.com and QSRNYadmin@bnymellon.com, and (iii) if to any VFN Purchaser, at the address set forth on their signature page to this Agreement.

19. No Third Party Beneficiaries. Except as provided in Sections 4, 5, and 6 hereof, nothing in this Agreement is intended or shall be construed to create or give to any persons other than the Parties hereto any rights by reason of this Agreement.

20. Entire Agreement. This Agreement is intended by the parties hereto as a final and complete expression of their agreement and understanding in respect of and related to the subject matter contained herein. This Agreement supersedes all prior agreements and understandings, written or oral, between the parties with respect of and related to such subject matter.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by their officers thereunto duly authorized on the date first above written.

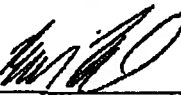
AMBAC ASSURANCE CORPORATION

By: 
Name: *Brian Kort*
Title: *Managing Director*
Address for Notices:

Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
Attention: General Counsel

SEGREGATED ACCOUNT OF AMBAC ASSURANCE CORPORATION

By: Ambac Assurance Corporation, as
Management Services Provider

By: 
Name: *Brian Kort*
Title: *Managing Director*
Address for Notices:

Segregated Account of Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
Attention: General Counsel

TSL (USA), INC, as Conduit Purchaser

By: Lori Gebron
Name: Lori Gebron
Title: Vice President

Address for Notices:

TSL (USA), Inc.
c/o Lord Securities Corporation
48 Wall Street
New York, NY 10005
Attention: Orlando Figueroa

NATIONAL AUSTRALIA BANK LIMITED,
as Alternate Purchaser and as Funding Agent

By: James Rothman
Name: James Rothman
Title: Managing Director

Address for Notices:

National Australia Bank Limited
245 Park Avenue, 28th Floor
New York, NY 10167
Attention: General Counsel

LIBERTY STREET FUNDING CORP.,
as Conduit Purchaser

By: Jill A Russo
Name: Jill A. Russo
Title: Vice President

Address for Notices:

Liberty Street Funding, LLC
c/o Global Securitization Services, LLC
68 South Service Road, Suite 120
Melville, NY 11747
Attention: Jill Russo

THE BANK OF NOVA SCOTIA,
as Alternate Purchaser and as Funding Agent

By: _____
Name:
Title:

Address for Notices:

The Bank of Nova Scotia
One Liberty Plaza
New York, NY 10006
Attention: Norman Last

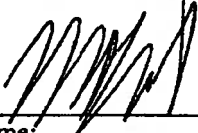
**LIBERTY STREET FUNDING CORP.,
as Conduit Purchaser**

By: _____
Name:
Title:

Address for Notices:

Liberty Street Funding, LLC
c/o Global Securitization Services, LLC
68 South Service Road, Suite 120
Melville, NY 11747
Attention: Jill Russo

**THE BANK OF NOVA SCOTIA,
as Alternate Purchaser and as Funding Agent**

By:  _____
Name: **NORMAN LAST**
Title: **MANAGING DIRECTOR**

Address for Notices:

The Bank of Nova Scotia
One Liberty Plaza
New York, NY 10006
Attention: Norman Last

**BRYANT PARK FUNDING LLC, as Conduit
Purchaser**

By: _____


Name: Damian A. Perez
Title: Vice President

Address for Notices:

**Bryant Park Funding LLC
68 South Service Road, Suite 120
Melville, NY 11747**

**HSBC BANK USA, N.A., as Alternate
Purchaser**

By: _____

Name:
Title:

Address for Notices:

**HSBC Bank USA
452 Fifth Avenue
New York, NY 10018
Attention: James Levelis
with a copy to: General Counsel Office – 7th
Floor**

HSBC SECURITIES (USA) INC., as Agent

By: _____

Name:
Title:

Address for Notices:

**HSBC Securities (USA) Inc.
452 Fifth Avenue
New York, NY 10018
Attention: James Levelis
with a copy to: General Counsel Office – 7th
Floor**


**BRYANT PARK FUNDING LLC, as Conduit
Purchaser**

By: _____
Name:
Title:

Address for Notices:

**Bryant Park Funding LLC
68 South Service Road, Suite 120
Melville, NY 11747**

**HSBC BANK USA, N.A., as Alternate
Purchaser**

By:  _____
Name: *Alison E. Mallick*
Title: *EVP.*

Address for Notices:

**HSBC Bank USA
452 Fifth Avenue
New York, NY 10018
Attention: James Levelis
with a copy to: General Counsel Office – 7th
Floor**

HSBC SECURITIES (USA) INC., as Agent

By: _____
Name:
Title:

Address for Notices:

**HSBC Securities (USA) Inc.
452 Fifth Avenue
New York, NY 10018
Attention: James Levelis
with a copy to: General Counsel Office – 7th
Floor**

**BRYANT PARK FUNDING LLC, as Conduit
Purchaser**

By: _____
Name:
Title:

Address for Notices:

**Bryant Park Funding LLC
68 South Service Road, Suite 120
Melville, NY 11747**

**HSBC BANK USA, N.A., as Alternate
Purchaser**

By: _____
Name:
Title:

Address for Notices:

**HSBC Bank USA
452 Fifth Avenue
New York, NY 10018
Attention: James Levelis
with a copy to: General Counsel Office - 7th
Floor**


HSBC SECURITIES (USA) INC., as Agent

By: 
Name: **RICHARD A. BURKE**
Title: **Managing Director**

Address for Notices:

**HSBC Securities (USA) Inc.
452 Fifth Avenue
New York, NY 10018
Attention: James Levelis
with a copy to: General Counsel Office - 7th
Floor**

**THE BANK OF NEW YORK MELLON,
as Issuing and Paying Agent, Collateral Agent,
Securities Intermediary, and Custodian**

By: 
Name: _____
Title: **TORQNY GUNNARSON
VICE PRESIDENT**

Address for Notices:

The Bank of New York Mellon
QSR Management, Ltd.
101 Barclay St. 4th Floor East
New York, NY 10286
Attention: Andrew Taylor

SCHEDULE I**VFN PURCHASER APPLICABLE PERCENTAGES**

	Outstanding Principal Amount of VFN (as of 8/31/11)	Applicable Percentage
TSL (USA) Inc. National Australia Bank Limited	\$230,643,198.74	38.46154%
Liberty Street Funding, LLC The Bank of Nova Scotia	\$230,643,198.74	38.46154%
Bryant Park Funding LLC HSBC Bank USA, N.A.	\$138,385,919.05	23.07692%

EXHIBIT A

Form of Notice of Termination of Policy and Cessation of Premiums/Reimbursements

Date: _____

**BY OVERNIGHT MAIL, FACSIMILE
AND ELECTRONIC MAIL**

To: AAardvark IV Funding Limited
Whiteley Chambers
Don Street, St. Helier
Jersey, JE4 9WG
Channel Islands
Attention: SPV Services
Fax: 44-1534-504-444

Mr. Jeffrey Baumgartner
Oppenheimer Funds, Inc.
6803 South Tucson Way
Centennial, CO 80112
www.oppenheimerfunds.com

OppenheimerFunds, Inc.
2 World Financial Center
225 Liberty Street
11th Floor
New York, NY 10281
Fax: (212) 323-4071

HarbourView Asset Management Corporation
c/o OppenheimerFunds, Inc.
Two World Financial Center
225 Liberty Street, 11th Floor
New York, NY 10281-1008
Attention: Legal Department
Fax: (212) 323-0200

OppenheimerFunds, Inc.
2 World Financial Center
225 Liberty Street
11th Floor
New York, NY 10281-1008
Attn: Legal Department
Fax: (212) 323-0200

Oppenheimer Funds
Kathleen Schmitz
2 World Financial Center
225 Liberty Street
New York, NY 10281-1008

Oppenheimer Funds
William Jaume
2 World Financial Center
225 Liberty Street
11 Floor
New York, NY 10281-1008

HarbourView Asset
Management Corporation
Two World Financial Center
225 Liberty Street, 11th Floor
New York, NY 10281
Attention: Liz McCormack,
Vice President

Re: Notice of Termination of Financial Guaranty Insurance Policy No. AB1029BE

Reference is made to (i) that certain Issuing and Paying Agency Agreement (the "Issuing and Paying Agency Agreement"), dated as of September 21, 2006 between AAardvark IV Funding Limited (the "Company") and The Bank of New York Mellon (as successor to JPMorgan Chase Bank, N.A.) ("BNYM"), as Issuing and Paying Agent, (ii) that certain Financial Guaranty Insurance Policy No. AB1029BE (the "Policy") issued by Ambac Assurance Corporation ("Ambac") to BNYM, as Issuing and Paying Agent under the Issuing and Paying

Agency Agreement for the benefit of the VFN Purchasers, and (iii) that certain Insurance Agreement, dated as of September 21, 2006, among Ambac, OppenheimerFunds, Inc., as Administrative Agent (the "Administrative Agent"), Harbourview Asset Management Corporation, as Investment Advisor (the "Investment Advisor"), the Company and BNYM (the "Insurance Agreement"). Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Insurance Agreement.

PLEASE TAKE NOTICE that:

- (i) the Policy has been terminated, cancelled, commuted in full, and is of no further force and effect as of [_____] (the "Termination Date");
- (ii) upon the Termination Date, the Collateral Agent, acting on behalf of and at the written direction of the Majority VFN Purchaser, became the "Controlling Party" under the Transaction Documents;
- (iii) Ambac has waived any rights it may have to (A) be paid Premium accruing for the period on or after the Termination Date pursuant to Section 3.03 of the Insurance Agreement, (B) reimbursement pursuant to Section 3.03(b) of the Insurance Agreement, (C) reimbursement pursuant to Section 3.05(a) of the Insurance Agreement, and (D) subrogation pursuant to Section 4.06 of the Insurance Agreement on account of the cash consideration paid or any other consideration provided by Ambac in consideration of termination of the Policy. Ambac shall not be entitled to (x) reimbursement from the Company pursuant to any of clauses (b), (c), or (d) of Section 3.05 of the Insurance Agreement nor (y) indemnification by the Company pursuant to Section 3.07 of the Insurance Agreement provided that the termination of the Policy shall not affect any claims for reimbursement, indemnification, or otherwise that Ambac may have against the Administrative Agent or the Investment Advisor.

IN WITNESS WHEREOF, the undersigned have caused this Notice of Termination to be duly executed and delivered by their respective officers hereunto duly authorized, as of the date and year first above written.

AMBAC ASSURANCE CORPORATION,

By: _____
Name:
Title:

**TSL (USA) INC.,
as Conduit Purchaser,**

By: _____
Name:
Title:

**NATIONAL AUSTRALIA BANK, LIMITED,
as Alternate Purchaser and as Funding Agent**

By: _____
Name:
Title:

**LIBERTY STREET FUNDING CORP.,
as Conduit Purchaser**

By: _____
Name:
Title:

**THE BANK OF NOVA SCOTIA,
as Alternate Purchaser and Funding Agent**

By: _____
Name:
Title:

**BRYANT PARK FUNDING LLC,
as VFN Purchaser**

By: _____
Name:
Title:

**HSBC BANK USA, N.A.,
as Alternate Purchaser**

**By: _____
Name:
Title:**

**HSBC SECURITIES (USA) INC.,
as Agent**

**By: _____
Name:
Title:**

cc:

**The Bank of New York Mellon
QSR Management, Ltd.
101 Barclay St., 4th Floor East
New York, NY 10286
Attention: Andrew Taylor
Fax: (212) 815-2943**

EXHIBIT B

Form of Legend to Appear on Face of Variable Funding Note

THIS NOTE IS SUBJECT TO THE TERMS OF THE TERMINATION AND RELEASE AGREEMENT ("TERMINATION AND RELEASE AGREEMENT") DATED AS OF SEPTEMBER 22, 2011 AMONG (I) AMBAC ASSURANCE CORPORATION ("AMBAC"), INDIVIDUALLY AND IN ITS CAPACITY AS MANAGEMENT SERVICES PROVIDER FOR THE SEGREGATED ACCOUNT, (II) THE SEGREGATED ACCOUNT OF AMBAC ASSURANCE CORPORATION (THE "SEGREGATED ACCOUNT"), (III) THE BANK OF NEW YORK MELLON (SUCCESSOR IN INTEREST TO JPMORGAN CHASE BANK, N.A.), AS COLLATERAL AGENT, AS SECURITIES INTERMEDIARY, AS CUSTODIAN AND AS ISSUING AND PAYING AGENT (IN SUCH CAPACITY, THE "ISSUING AND PAYING AGENT"), (IV) TSL (USA) INC., AS CONDUIT PURCHASER ("TSL"), AND NATIONAL AUSTRALIA BANK, LIMITED, AS ALTERNATE PURCHASER AND AS FUNDING AGENT ("NAB"), (V) LIBERTY STREET FUNDING CORP., AS CONDUIT PURCHASER ("LIBERTY"), AND THE BANK OF NOVA SCOTIA, AS ALTERNATE PURCHASER AND FUNDING AGENT ("BONS"), AND (VI) BRYANT PARK FUNDING LLC, AS VFN PURCHASER ("BRYANT"), HSBC BANK USA, N.A. AS ALTERNATE PURCHASER ("HSBC"), AND HSBC SECURITIES (USA) INC., AS AGENT ("HSBC SECURITIES"), (EACH OF TSL, NAB, LIBERTY, BON, BRYANT, HSBC AND HSBC SECURITIES COLLECTIVELY, THE "VFN PURCHASERS").

PURSUANT TO THE TERMS OF THE TERMINATION AND RELEASE AGREEMENT, THE FINANCIAL GUARANTY POLICY NO. AB1029BE (AS AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED THROUGH THE DATE HEREOF, THE "POLICY") ISSUED BY AMBAC HAS BEEN TERMINATED, CANCELLED AND COMMUTED IN FULL, AND IS OF NO FURTHER FORCE AND EFFECT, AND NO PROVISION OF THE POLICY HAS SURVIVED SUCH TERMINATION AND CANCELLATION. UPON ACCEPTANCE OF THIS NOTE (WHETHER BY TRANSFER, EXCHANGE, OR OTHERWISE), THE HOLDER OF THIS NOTE SHALL BE DEEMED TO ACKNOWLEDGE THAT NO PERSON (INCLUDING, WITHOUT LIMITATION, THE ISSUING AND PAYING AGENT, THE VFN PURCHASERS OR ANY OF THEIR ASSIGNEES OR SUCCESSORS) SHALL HAVE ANY RIGHT TO MAKE ANY CLAIMS UNDER OR WITH RESPECT TO THE POLICY OR ANY RIGHT TO RECEIVE PAYMENTS THEREUNDER.