

In the Matter of the Rehabilitation of:

Case No. 10-CV-1576-F

Segregated Account of Ambac Assurance Corporation

AFFIDAVIT OF DIANA ADAMS

STATE OF NEW YORK )  
 ) ss.  
COUNTY OF NEW YORK )

I, Diana Adams, being duly sworn, depose and state as follows:

**Introduction**

1. I am a Senior Managing Director of Ambac Financial Group, Inc. (“AFG”).
2. AFG maintains records in the course of its regularly conducted business activities. These records are made in the ordinary course of AFG’s regular business activities. As a general practice, such records are made at or near the time of the events reflected in the records by a person who has knowledge of the matters set forth therein.
3. My responsibilities as a Senior Managing Director include, among other things, the supervision of the maintenance of certain of AFG’s records, including records pertaining to AFG’s leases.
4. As such, I am one of the custodians of the records of AFG pertaining to AFG’s commercial real property lease of the property commonly known as One State Street Plaza, New York, New York (the “Lease Documents”).
5. The Lease Documents are kept in the course of AFG’s regularly conducted activity by employees and/or other representatives of AFG with knowledge of the matters reflected therein, and to the best of my knowledge, these documents were made at or near the time (or reasonably soon after) the occurrence of the events reflected therein.

6. The records discussed below and attached hereto are the originals or exact duplicates of the originals.

**One State Street Real Property Lease**

7. On or about January 1, 1992, Ambac Indemnity Corporation (“AIC”) (the predecessor-in-interest to Ambac Assurance Corporation (“Ambac”)) and South Ferry Building Company (“South Ferry”) (the predecessor-in-interest to One State Street LLC (“State Street”)) entered into a real property lease dated as of January 1, 1992 for floors 15 through 18 of the property commonly known as One State Street Plaza, New York, New York (as amended, the “Lease”). Attached hereto as **Exhibit 1** is a copy of the Lease.

8. On or about August 1, 1997, Ambac and South Ferry entered into a letter agreement dated August 1, 1997, pursuant to which the Lease expiration date was extended to September 30, 2019 and the 19<sup>th</sup> floor was added to the leased premises (the “1997 Amendment”). Attached hereto as **Exhibit 2** is a copy of the 1997 Amendment.

9. On or about December 23, 2002, AFG and Ambac entered into an Assignment And Assumption Of Lease By Tenant And Indemnity dated as of December 23, 2002, pursuant to which Ambac assigned “all of [its] right, title and interest . . . in, to and under the Lease” to AFG and AFG accepted the assignment and all obligations arising under the Lease (the “Assignment”). Attached hereto as **Exhibit 3** is a copy of the Assignment.

10. State Street executed a consent (physically located at the bottom of the Assignment) (the “Consent”), thereby expressly consenting to the assignment of all of Ambac’s interest in the Lease to AFG. This Consent is shown on Exhibit 3.

11. AFG and State Street entered into a letter agreement dated as of December 23, 2002, pursuant to which the 20<sup>th</sup> floor was added to the leased premises and the fixed rent over the term of the lease was increased by approximately \$18.5 million (the “2002 Amendment”). Attached hereto as **Exhibit 4** is a copy of the 2002 Amendment.

12. Ambac is not a party to the 2002 Amendment and, to the best of my knowledge, Ambac did not execute any consent to the 2002 Amendment.

13. To the best of my knowledge, at no time did Ambac execute an agreement to expand the leased premises to include the 20<sup>th</sup> Floor and increase the fixed rent by \$18.5 million and the records of AFG do not include any document signed by Ambac in which Ambac consented to the 2002 Amendment.


14. To the best of my knowledge, since the Assignment in 2002, AFG has occupied the leased premises and fulfilled all of the tenant's obligations under the Lease, and State Street has treated AFG as the tenant. To the best of my knowledge, among other things, AFG has made each and every monthly rental payment due under the Lease since the 2002 Amendment, which State Street has accepted without objection.

15. AFG is current in making all rent payments due under the Lease and I am unaware of any contention on the part of State Street to the contrary, nor has AFG received any notice from State Street alleging that AFG has failed to make any outstanding rent payment.

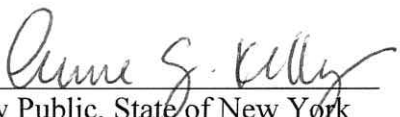
16. AFG, as the tenant, permits Ambac to utilize a portion of the leased premises.

17. As of the date hereof, the rent due under the remaining term of the Lease could be as much as \$94 million. However, this \$94 million is simply my best estimate of the remaining rental obligations and is based upon a variety of assumptions and estimates, some or all of which may not be accurate and may not materialize. Accordingly, I do not admit the accuracy of such estimate and I reserve the right to challenge any calculation if and when State Street should declare a default under the Lease and seek to exercise any remedies.

*[The balance of this page is left blank intentionally and the signature page follows immediately hereafter.]*

  
Diana Adams

Subscribed and sworn to before me  
this 7<sup>th</sup> day of August, 2010

  
Notary Public, State of New York  
My commission expires \_\_\_\_\_

ANNE G. KELLY  
Notary Public, State of New York  
No. 02G15044534  
Qualified in New York County  
Commission Expires October 12, 2011