

At IAS Part 2 of the Supreme Court of the State
of New York, County of Nassau, at the
Courthouse, 100 Supreme Court Drive, Mineola,
New York, on the 1st day of FEBRUARY ,
2007

HON. EDWARD W. McCARTY III
JUSTICE

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

-----X

In The Matter of

Index No.: 003808/04

the Rehabilitation of

ORDER

INTERBORO MUTUAL INDEMNITY
INSURANCE COMPANY

-----X

Upon the petition of FRANCESCA G. BLISS, Assistant Special Deputy Superintendent and Agent of ERIC DINALO, Acting Superintendent of Insurance of the State of New York, as Rehabilitator (the "Rehabilitator") of INTERBORO MUTUAL INDEMNITY INSURANCE COMPANY ("the Company" or "Interboro Mutual") dated December 22, 2006 and filed with the County Clerk of Nassau County on December 22, 2006, which requests the Court grant an Order concurrently approving the conversion of Interboro Mutual from a New York mutual property and casualty insurer into a New York stock property and casualty insurer ("the Conversion") pursuant to Section 7311 of the New York Insurance Law, and approving the sale of stock pursuant to a Stock and Purchase Agreement, and terminating this proceeding and permitting Interboro to resume its business.

And the Petitioner, having appeared by VINCENT J. TABONE, attorney for the Superintendent of Insurance as Rehabilitator of INTERBORO MUTUAL INDEMNITY INSURANCE COMPANY

And upon the order of this court entered December 22, 2006, directing the form and method of notice of the filing of the petition on Interboro creditors, the affidavits of service of the notice of the filing of Thomas Galamb, sworn to on December 27, 2006, and Dennis J. Hayes sworn to December 27, 2006, no opposition having been received and the hearing duly held on February 1, 2007 and upon due consideration;

It is ORDERED that:

- (1) The Conversion of Interboro Mutual by the Rehabilitator pursuant to N. Y. Ins. § 7311 is authorized and approved;
- (2) The Amended and Restated Charter and Amended and Restated Bylaws of Interboro Insurance Company, to be effective upon filing with the Clerk of the County of Nassau is authorized and approved;
- (3) The Plan is approved and its implementation by the Rehabilitator is authorized;
- (4) The Superintendent as Rehabilitator is authorized to issue the capital stock of Interboro Insurance Company, to be placed in escrow with the escrow agent appointed by the Superintendent as Rehabilitator, for the benefit of a qualifying purchaser;
- (5) Approval of the acquisition of control of Interboro Insurance Company by Interboro LLC, which shall be effective upon the consummation of the transactions contemplated by the Stock Purchase Agreement is affirmed;
- (6) The payment to the creditors of Interboro Mutual during the Claims Administration Period of the amounts provided for in the Plan in respect of their claims and in full satisfaction of such claims, which shall be effective upon the consummation of the transactions contemplated by the Stock Purchase Agreement is approved;

- (7) The rehabilitation proceeding, is terminated, including discharging the converted company from rehabilitation pursuant to N.Y. Ins. Law § 7403(d) and discharging the Superintendent from his duties as the Rehabilitator, which shall be effective only upon the consummation of the transactions contemplated by the Stock Purchase Agreement
- (8) Interboro Insurance Company is to resume possession of its property and the conduct of its business, which shall be effective upon the consummation of the transactions contemplated by the Stock Purchase Agreement and
- (9) That items (5) through (8) shall be null and void and of no effect should Interboro LLC fail to acquire control and/or make or provide for the required capital contribution within forty-five days of the date of entry of this Order.

ENTER

Edward W. McCarty III
J.S.C.

ENTERED

FEB 01 2007

**NASSAU COUNTY
COUNTY CLERK'S OFFICE**

SUPREME COURT OF THE STATE OF NEW YORK

COUNTY OF NASSAU

IN THE MATTER OF
THE REHABILITATION OF
INTERBORO MUTUAL INSURANCE COMPANY

PROPOSED ORDER

Vincent J. Tabone, Esq.

Attorney for Superintendent
of Insurance as Rehabilitator

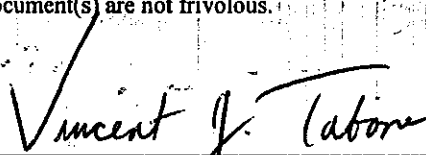
Office and Post Office Address, Telephone

New York Liquidation Bureau
123 William Street
New York, NY 10038-3889
(212) 341-6612

ATTORNEY CERTIFICATION

The undersigned, an attorney admitted to practice in the courts of New York state, certifies that, upon information, belief and reasonable inquiry, the contentions in the above referenced document(s) are not frivolous.

Dated: February 1, 2007
New York, New York


VINCENT J. TABONE, ESQ.

Sir: Please take notice

NOTICE OF ENTRY

that the within is a (certified) true copy of a
duly entered in the office of the clerk of the within named court on the day of 2007

NOTICE OF SETTLEMENT

that an order
presented for settlement to the HON.

, on

of which the within is a true copy will be
one of the judges of the within named court, at
2006 at

Dated:

Yours, etc.

Vincent J. Tabone, Esq.

Attorney for Superintendent
of Insurance as Rehabilitator

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COUNTY CLERK OF
NASSAU COUNTY

FEB 01 2007

NASSAU INDEX # 20
FILED