

Hearing Date and Time: January 18, 2012 at 9:45 a.m.
Reply Deadline: January 10, 2012 at 4:00 p.m.
Response Deadline: December 22, 2011 at 4:00 p.m.

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and Lexington Insurance Company*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

MOTORS LIQUIDATION COMPANY,
et al.,

Debtors.

Chapter 11 Cases
Case No. 09-50026 (REG)

(Jointly Administered)

NOTICE OF CROSS-MOTION TO COMPEL ARBITRATION

PLEASE TAKE NOTICE that a hearing will be held before the Honorable Robert E. Gerber, United States Bankruptcy Judge, on January 18, 2012 at 9:45 a.m. in Room 621 of the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), One Bowling Green, New York, New York, 1004-1408, or as soon thereafter as counsel can be heard, to consider Chartis Specialty Insurance Company’s (f/k/a American International Specialty Lines Insurance Company) and Lexington Insurance Company (“**Chartis**”) cross-motion to compel arbitration.

PLEASE TAKE FURTHER NOTICE that responses, if any, to the motion must: (a) be made in writing, stating in detail the reasons therefore; (b) comply with the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York; (c) be filed with the Bankruptcy Court in accordance with General Order M-399 (i) electronically by registered users of the Bankruptcy Court's case filing system, or (ii) on a 3.5 inch disk (preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format) by all other parties in interest (d) be delivered in hard copy form to the chambers of the Honorable Robert E. Gerber, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, Room 621, New York, New York 10004; and (e) be served upon: (i) Togut, Segal & Segal LLP, conflicts counsel for the Reorganized Debtors, One Penn Plaza, Suite 3335, New York, New York 10119 (Attn: Scott E. Ratner, Esq.); (ii) Dickstein Shapiro, LLP, attorney for the GUC Trust, 1633 Broadway, New York, New York 10019-6708 (Attn: Barry N. Seidel, Esq., and Stefanie Birbower Greer, Esq.); (iii) the Reorganized Debtors, c/o Motors Liquidation Company, 401 South Old Woodward Avenue, Suite 370, Birmingham, Michigan 48009 (Attn: Thomas Morrow); (iv) General Motors, LLC, 400 Renaissance Center, Detroit, Michigan 48265 (Attn: Lawrence S. Buonomo, Esq.); (v) Cadwalader, Wickersham & Taft LLP, attorneys for the United States Department of the Treasury, One World Financial Center, New York, New York 10281 (Attn: John J. Rapisardi, Esq.); (vi) the United States Department of the Treasury, 1500 Pennsylvania Avenue NW, Room 2312, Washington, D.C. 20220 (Attn: Joseph Samarias, Esq.); (vii) Vedder Price, P.C., attorneys for Export Development Canada, 1633 Broadway, 47th Floor, New York, New York 10019 (Attn: Michael J. Edelman, Esq. and Michael L. Schein, Esq.); (viii) Kramer Levin Naftalis & Frankel LLP, attorneys for the

statutory committee of unsecured creditors, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Thomas Moers Mayer, Esq., Robert Schmidt, Esq., Lauren Macksoud, Esq., and Jennifer Sharret, Esq.); (ix) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Tracy Hope Davis, Esq.); (x) the U.S. Attorney's Office, S.D.N.Y., 86 Chambers Street, Third Floor, New York, New York 10007 (Attn: David S. Jones, Esq. and Natalie Kuehler, Esq.); (xi) Caplin & Drysdale, Chartered, attorneys for the official committee of unsecured creditors holding asbestos-related claims, 375 Park Avenue, 35th Floor, New York, New York 10152-3500 (Attn: Elihu Inselbuch, Esq. and Rita C. Tobin, Esq.) and One Thomas Circle, N.W., Suite 1100, Washington, DC 20005 (Attn: Trevor W. Swett III, Esq. and Kevin C. Maclay, Esq.); (xii) Stutzman, Bromberg, Esserman & Plifka, A Professional Corporation, attorneys for Dean M. Trafelet in his capacity as the legal representative for future asbestos personal injury claimants, 2323 Bryan Street, Suite 2200, Dallas, Texas 75201 (Attn: Sander L. Esserman, Esq. and Robert T. Brousseau, Esq.); (xiii) Gibson, Dunn & Crutcher LLP, attorney for Wilmington Trust Company as GUC Trust Administrator and for Wilmington Trust Company as Avoidance Action Trust Administrator, 200 Park Avenue, 47th Floor, New York, New York 10166 (Attn: Keith Martorana, Esq.); (xiv) FTI Consulting, as the GUC Trust Monitor and as the Avoidance Action Trust Monitor, One Atlantic Center, 1201 West Peachtree Street, Suite 500, Atlanta, Georgia 30309 (Attn: Anna Phillips); (xv) Crowell & Moring LLP, attorneys for the Revitalizing Auto Communities Environmental Response Trust, 590 Madison Avenue, 19th Floor, New York, New York 10022-2524 (Attn: Michael V. Blumenthal, Esq.); and (xvi) Kirk P. Watson, Esq., as the Asbestos Trust Administrator, 2301 Woodlawn Boulevard, Austin, Texas 78703, so as to be

received no later than 4:00 p.m. (Eastern Time) on **December 22, 2011** (the “**Response Deadline**”).

PLEASE TAKE FURTHER NOTICE that only responses made in writing and timely filed and received by the Response Deadline will be considered by the Bankruptcy Court at the Hearing and that if no responses to the cross-motion are timely filed and served in accordance with the procedures set forth herein, the Bankruptcy Court may enter an order granting the relief requested in the cross-motion without further notice.

Dated: New York, New York
December 1, 2011

ZEICHNER ELLMAN & KRAUSE LLP

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

MOTORS LIQUIDATION COMPANY,
et al.,

Debtors.

Chapter 11 Cases
Case No. 09-50026 (REG)

(Jointly Administered)

STATE OF NEW YORK,
COUNTY OF NEW YORK.

**DECLARATION OF BRYAN D. LEINBACH IN SUPPORT OF OPPOSITION
OF CHARTIS SPECIALTY INSURANCE COMPANY AND LEXINGTON
INSURANCE COMPANY TO THE REORGANIZED DEBTOR'S
SUPPLEMENTAL AMENDED CLAIMS OBJECTION TO PROOF OF CLAIM
NUMBER 71242 (THE "MOTION")
AND CROSS-MOTION TO COMPEL ARBITRATION**

BRYAN D. LEINBACH, pursuant to 28 U.S.C. §1746, declares:

1. I am an attorney admitted to practice before this Court and associated with the law firm of Zeichner Ellman & Krause LLP, attorneys for Chartis Specialty Insurance Company (f/k/a American International Specialty Lines Insurance

Company) and Lexington Insurance Company (“**Chartis**”). I make this Declaration in support of Chartis’ opposition to the Motion and cross-motion to compel arbitration.

2. Attached as Exhibit A is a copy of a Payment Agreement between Chartis Specialty Insurance Company and the Reorganized Debtor Motors Liquidation Company, formerly known as General Motors Corporation’s (“**Old GM**”).

3. Attached as Exhibit B is a copy of a Payment Agreement between Lexington Insurance Company and Old GM.

4. No prior application has been made for the relief requested herein. I declare under penalties of perjury that the foregoing is true and correct.

Dated: December 1, 2011


BRYAN D. LEINBACH



Payment Agreement

For

Insurance and Risk Management Services

effective on the 1st day of September, 2006

by and between *us*,

American International Specialty Lines Insurance Company

And *you, our Client*

General Motors Corporation

300 Renaissance Ctr

Detroit, MI 48265-0001

in consultation with *your representative*

Aon Risk Services, Inc. of MI

P.O. Box 5156

Southfield, MI 48086-5156

PAYMENT AGREEMENT

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PAYMENT AGREEMENT

WHO HAS AGREED TO THIS AGREEMENT?

This Agreement is between:

- *You*, the organization(s) named as "our Client" in the *Schedule*, and
- *us*, the insurer named in the *Schedule*.

The words "we", "us" and "our" in this Agreement refer to the insurer named in the *Schedule*.

WHAT HAVE YOU AND WE AGREED TO?

We have agreed to the following:

- to provide *You* insurance and services according to the *Policies* and other agreements; and
- to extend credit to *You* by deferring our demand for full payment of the entire amount of *Your Payment Obligation* if *You* make partial payments according to this Agreement.

To induce us to agree as above,

You have agreed to the following:

- to pay us all *Your Payment Obligation* and to perform all *Your* other obligations according to this Agreement and *Schedule* for all entities covered by the *Policies*;
 - to provide us with collateral according to this Agreement and *Schedule*;
-

WHEN DOES THIS AGREEMENT BEGIN?

This Agreement begins on the Effective Date shown in the first page (the title page) of this Agreement. Unless otherwise agreed in writing, this Agreement will also apply to any policies and *Schedules* that we may issue as renewals, revisions, replacements or additions to the attached *Schedule* and the *Policies* listed there.

WHEN WILL THIS AGREEMENT END?

This Agreement will end only after *You* and we have settled and paid all obligations between *You* and us relating to this Agreement. Neither *You* nor we may cancel this Agreement without the other's consent.

WHICH WORDS HAVE SPECIAL MEANINGS IN THIS AGREEMENT?

Words with special meanings in the *Policies* have the same meanings in this Agreement as they have in the *Policies*. Non-italicized capitalized words in this Agreement are defined in the *Policies*, or their meanings are otherwise described in this Agreement.

The following are definitions of other special words. Terms printed in this Agreement in italic typeface have the meanings described below.

1. "**ALAE**" means Allocated Loss Adjustment Expense as defined in the *Policies*.
2. "**Deductible Loss Reimbursements**" means the portion of any *Loss* and *ALAE* we pay that *You* must reimburse us for under any "Deductible" or "Loss Reimbursement" provisions of a *Policy*.
3. "**Loss**" or "**Losses**" means damages, benefits or indemnity that we become obligated under the terms of the *Policies* to pay to claimants.
4. "**Policy**" or "**Policies**" means:
 - any of the insurance *Policies* described by their policy numbers in the *Schedule*, and their replacements and renewals;
 - any additional insurance *Policies* that we may issue to *You* that *You* and we agree to make subject to this Agreement;
5. "**Retained Amount**" or "**Retention**" means one of the following:
 - **Self-Insured Retention**: the amount specified in the applicable *Policy* as *Your* Self-Insured Retention per occurrence, accident, offense, claim or suit; or
 - **Deductible**: the amount specified in the applicable *Policy* as the Reimbursable or Deductible portion of *Loss* per occurrence, accident, offense, claim or suit; or
 - **Loss Limit**: the portion of any *Loss* we pay because of an occurrence, offense, accident, claim or suit, that we will include in the computation of the premiums.

The *Policies* show the type of *Retention* that applies to any specific occurrence, offense, accident, claim or suit.

PAYMENT AGREEMENT

6. **"Schedule"** means each of the attachments to this Agreement that describes specific elements of the Agreement for a specified period of time. Each *Schedule* is a part of this Agreement. Additional *Schedules* or amendments to *Schedules* may be attached to this Agreement from time to time by mutual agreement between *You* and us.
7. **"You"** means the person or organization named as our Client in the title page of this Agreement, its predecessor and successor organizations, and each of its subsidiary, affiliated or associated organizations that are included as Named Insureds under any of the *Policies*. Each is jointly and severally liable to us for the entire amount of *Your Payment Obligation*.
8. **"Your Payment Obligation"** means the amounts that you must pay us for the insurance and services in accordance with the terms of the *Policies*, this Agreement, and any similar primary casualty insurance policies and agreements with us incurred before the inception date hereof. Such amounts shall include, but are not limited to, any of the following, including any portions thereof not yet due and payable:
 - the premiums and premium surcharges,
 - *Deductible Loss Reimbursements*,
 - any amount that we may have paid on *Your* behalf because of any occurrence, accident, offense, claim or suit with respect to which *you* are a self-insurer,
 - any other fees, charges, or obligations as shown in the *Schedule* or as may arise as *You* and we may agree from time to time.

Loss Reserves: *Your Payment Obligation* includes any portion of the premiums, premium surcharges, *Deductible Loss Reimbursements* or other obligations that we shall have calculated on the basis of our reserves for *Loss* and *ALAE*. Those reserves shall include specific reserves on known *Losses* and *ALAE*, reserves for incurred but not reported *Losses* and *ALAE*, and reserves for statistically expected development on *Losses* and *ALAE* that have been reported to us. Any *Loss* development factors we apply in determining such reserves will be based on our actuarial evaluation of relevant statistical data including, to the extent available and credible, statistical data based upon *your* cumulative *Loss* and *ALAE* history.

WHAT ELSE SHOULD YOU KNOW ABOUT YOUR PAYMENT OBLIGATION?

Amounts: We will calculate *Your Payment Obligation* according to the methods stated in the *Policies* and any other similar primary casualty insurance policies and agreements between us.

You must abide by the results under this Agreement of any payment of *Loss* or *ALAE* that the claims service provider or we shall have made in the absence of negligence and in good faith under any of the *Policies*.

Credit: Credit is extended to *you* whenever *Your* payment of some or all of *Your Payment Obligation* is postponed beyond the effective date of the insurance policies to which such obligations pertain. Any extension of unsecured credit to *You* under this Agreement is extended only for the duration of the policy year for which it is extended. It is subject to review and revision or withdrawal at each anniversary of this Agreement or at other times in accordance with the terms of this Agreement. Any extension of credit to *you* under this Agreement, including any deferral or waiver of the collection of collateral from *You* is not an assumption by us of any of *Your* obligations to us. Any extension of credit to *You* does not limit our right to enforce *Your* performance under this Agreement.

A Credit Fee may be charged for any unsecured credit extended to *you*. The Credit Fee, if any, is shown in the *Schedule*. Any such Credit Fee is an annual fee and applies only to the policy year to which such *Schedule* applies. A renewal Credit Fee may be charged for the period of any renewed extension of unsecured credit, and shall be shown in the *Schedule* pertaining thereto.

Payment of the Credit Fee, if any, is neither payment of premium for insurance of any kind nor payment of *Deductible Loss Reimbursements*.

WHEN MUST YOU PAY YOUR PAYMENT OBLIGATION?

All payments are due by the due date stated in the *Schedule*, or as respects Additional Payments, within 30 days of the later of the Invoice, Notice or Bill date or your evidenced receipt date of the Invoice, Notice or Bill for each such Additional Payment.

PAYMENT AGREEMENT

WHAT IS THE PAYMENT PLAN?

Deposit and Installments

You must pay us a Deposit and Installments in the amounts and by the dates shown in the *Schedule* for the *Policies* described in the *Schedule*.

Claims Payment Deposit: If so shown in the *Schedule*, the Deposit includes a Claims Payment Deposit. The Claims Payment Deposit will not bear interest. We will return the amount of the Claim Payment Deposit to You when You have paid us all amounts due us.

If the total amount of claims we shall have paid on Your behalf exceeds the sum of the Claims Payment Deposit for three (3) consecutive billing periods, we may require You to pay us additional funds for the Claims Payment Deposit. However, the entire Claims Payment Deposit shall not exceed 250% of the average amount of the claims we had paid in each of the prior 3 periods.

Additional Payments

You must also make payments in addition to the Deposit and Installments according to the Payment Method described under "Additional Payments" in the *Schedule*.

WHAT IS THE BILLING METHOD?

Deposit and Installments: You must pay us the amounts shown in the *Schedule* as "Installments". You must pay us those amounts by their Due Dates shown there:

Additional Payments: You have chosen the **Direct Billing Method** or the **Automatic Withdrawal Method**, or a combination of both. Your choice is shown in the *Schedule*.

Direct Billing Method

For the Additional Payments described under "WHAT IS THE PAYMENT PLAN?", we will further bill You as necessary for the payment of Losses we must pay or have paid within Your "Retention" and Your share of ALAE covered by the *Policies*. We will not bill more than permitted under any Aggregate Stop or Maximum Premium or Maximum Insurance Cost provisions that apply to the *Policies*.

Automatic Withdrawal Method

For the Additional Payments described under "WHAT IS THE PAYMENT PLAN?", we will draw funds from the "Automatic Withdrawal Account" described in the *Schedule* as necessary for the payment of Losses within Your "Retention" and Your share of ALAE covered by the *Policies*. We will not withdraw more than permitted under any Aggregate Stop or Maximum Premium or Maximum Insurance Cost provisions that apply to the *Policies*.

You hereby authorize us to withdraw funds from that Account upon our demand.

You must pay enough cash into that "Automatic Withdrawal Account" to cover our expected payments of Loss within Your Retention and Your share of ALAE during the next Claims Payment Fund Coverage Period shown in the *Schedule*. The minimum amount of such cash funds is shown in the *Schedule* as "Minimum Amount". You must make a payment in that amount into that Account immediately whenever its balance falls below 25% of that amount. Interest earned on that Account belongs to You.

PAYMENT AGREEMENT

WHAT ABOUT COLLATERAL?

Collateral is Required

You must deliver collateral acceptable to us to secure Your Payment Obligation at the time(s), in the form(s) and in the amount(s) shown in the Schedule. Subject to the terms of this Agreement, we may apply any collateral we hold in connection with this or any other similar primary casualty insurance policies or agreements to Your Payment Obligation.

Grant of Security Interest and Right to Offset

You grant us a possessory security interest in any property You deliver to us to secure Your Payment Obligation. You also grant us a continuing first-priority security interest and right of offset with respect to all premiums, surcharges, dividends, cash, accounts, or funds that are payable to You and are now or may in the future come into our possession in connection with Your Payment Obligation. You agree to assist us in any reasonable way to enable us to perfect our interest. You direct us to hold all such sums as collateral for Your Payment Obligation as they may be payable now or may become payable in the future.

Letter of Credit

Any letter of credit must be clean, unconditional, irrevocable and evergreen. It must be from a bank that we and the Securities Valuation Office of the National Association of Insurance Commissioners have approved and in a form acceptable to us. It must be in the amount shown in the Schedule.

If any letter of credit is canceled, no later than 30 days before that letter of credit expires, You must deliver to us a substitute letter of credit that complies with the requirements set forth above. Upon Your written request, we will not unreasonably withhold our consent to a reasonable extension of the time within which You must deliver such a substitute letter of credit to us. The substitute letter of credit must take effect no later than the date of termination of the expiring letter of credit. Your duty to deliver such a letter of credit will continue until You have satisfied all Your obligations under this Agreement and the Policies. If You fail to provide us with a qualifying substitute letter of credit as indicated above, we may draw upon the existing letter of credit in full.

Other Collateral

With respect to any collateral we accept other than a letter of credit, including but not limited to any collateral we hold in trust or escrow, any agreements between You and us about our respective rights and obligations with respect to such collateral are incorporated by reference into this Agreement. Nothing in those agreements will limit or modify any of our rights under this Agreement.

Collateral Reviews

The collateral we require to secure Your Payment Obligation is subject to reviews and revisions as described below.

We will review our collateral requirement annually. In addition, we may review our collateral requirement at any time that we may deem reasonably necessary, including at any time after an event such as but not limited to the following:

- 1. the non-renewal or cancellation of any Policy to which this Agreement applies,*
- 2. the failure or violation of any financial covenants or tests, or minimum financial rating (if any) specified in the Schedule,*
- 3. the occurrence of any direct or indirect transaction for the merger or consolidation, or the conveyance, sale, transfer, dividend, spin-off, lease, or sale and lease back, of all or any material portion of Your property, assets, business or equity to any other entity,*
- 4. any material adverse change in the financial condition of You, Your subsidiaries or affiliates taken separately or in combination, or any other entity on which we rely for security or guarantee in connection with this Agreement.*

You and we will cooperate with each other and each other's designated consultants in the conduct of such reviews.

If as a result of any review we find that we require additional collateral, You will provide us such additional collateral within 30 days of our written request, which shall be accompanied by a worksheet showing our calculation of the amount thereof. If a return of collateral to You is indicated, we will return annually the indicated amount to You within 30 days of our written acknowledgement thereof.

PAYMENT AGREEMENT

Collateral Adjustment Procedure

The additional collateral that *You* must provide us will be in the amount of the difference between the total unpaid amount of *Your Payment Obligation* and the total amount of *Your* collateral that we then hold. We may adjust the collateral requirement relating to the unexpired term of the *Policies* on the basis of our evaluation of *Your* financial condition. If such difference is a negative sum, that sum is the amount that we will return to *You*. However, we are not obligated to return collateral to *You* if *You* are in default of any provision of this Agreement or any other similar agreement relating to your primary casualty insurance with us.

Financial Information

You must provide financial information to us as a basis for our collateral reviews within 14 days after our request.

If *You* are not subject to the reporting requirements of the Securities and Exchange Act of 1934, *You* must provide us copies of *Your* audited annual financial statements.

If we so request, *You* must provide us such financial information as we may reasonably deem necessary to determine *Your* financial condition, including but not limited to copies of *Your* completed quarterly financial statements. Those statements must include the following:

- balance sheet,
- income statement
- statement of retained earnings,
- cash flow statement,
- notes to the statements, and
- any supplemental schedules.

Reporting Requirement

Give us prompt notice of the event of any default as described in the section titled "What is Default", or any event described in the section titled "Collateral Reviews" in this Agreement, that has happened or is about to happen.

As an alternative to the above, at *Your* option, provide us with the same notices at the same time that *You* provide such notices to any other creditor regarding any material financial or operational condition that *You* are obligated to report to such other creditor.

WHAT IS DEFAULT?

Default is any of the following:

1. failure by *You* or any of *Your* subsidiaries or affiliates to perform within 5 days after its due date any obligation *You* or any of *Your* subsidiaries or affiliates have under this Agreement or any other agreement with us.
2. *Your* insolvency, or the occurrence of any of the following:
 - the commencement of liquidation or dissolution proceedings, *Your* general failure to pay debts as they become due, general assignment by *You* for the benefit of creditors, the filing by or against *You* of any petition, proceeding, case or action under the provisions of the United States Bankruptcy Code or other such law relating to debtors, the appointment of, or the voluntary or involuntary filing for a petition for the appointment of, a receiver, liquidator, rehabilitator, trustee, custodian or similar official to take possession or control of any of *Your* property; or
 - *Your* default on any material outstanding debt not cured within its applicable cure period, if any.
3. the cancellation by *You*, without our prior consent, of any *Policy* material to this Agreement. However, *Your* concurrent cancellation of all the unexpired *Policies* shall not constitute default.
4. the discovery of any material inaccuracy or incompleteness in any representation, warranty or condition precedent *You* make in connection with this Agreement, the insurance afforded by any of the *Policies* or *Your Payment Obligation*.

PAYMENT AGREEMENT

WHAT MAY WE DO IN CASE OF DEFAULT?

If default occurs, we may take reasonable and appropriate steps that are necessary to protect our interest. We will exercise good faith consistent with usual and customary commercial and credit practice in selecting and exercising such steps. We may take steps such as the following:

1. We may declare the entire unpaid amount of *Your Payment Obligation* immediately due and payable.
2. We may change any or all unexpired *Policies* under Loss Reimbursement or Deductible plans to Non-Deductible plans for the remaining term of any such *Policy*, to become effective after ten days written notice to *You*. We will therewith increase the premiums for those *Policies* in accordance with our applicable rating plan.
3. We may draw upon, liquidate, or take ownership of any or all collateral we hold regardless of the form, and hold or apply such amounts to any of *Your Payment Obligation* under this Agreement or any other premium, surcharge or deductible financing agreement between *You* and us, or under any *Policies*. However, we will not draw upon, liquidate, or take ownership of more collateral than is reasonably necessary to protect our interest.
4. We may require *You* to deliver to us additional collateral, including an amendment to the letter of credit or an additional letter of credit or other additional collateral. The other additional collateral, letter of credit or its amendment must conform to the requirements described above. *You* must deliver it within 15 days of *Your* receipt of a written notice from us.
5. We may cancel any or all unexpired *Policies* as if for non-payment of premium or *Deductible Loss Reimbursements*. We may apply any return of premium resulting from the cancellation to remedy any default.
6. We may withhold payment of claims to *You* or any of *Your* subsidiaries or affiliates.
7. We may satisfy *Your* obligations to us in whole or in part by set-off against any moneys, securities, collateral, consideration or property of *Yours* received by, pledged to, held by or otherwise available to us in connection with *Your Payment Obligation*. *You* authorize us after any default to charge any account that *You* maintain with us in connection with *Your Payment Obligation* in order to satisfy any of *Your* obligations.

HOW WILL DISAGREEMENTS BE RESOLVED?

What if we disagree about payment due?

If *You* disagree with us about any amount of *Your Payment Obligation* that we have asked *You* to pay, within the time allowed for payment *You* must:

- give us written particulars about the items with which *You* disagree; and
- pay those items with which *You* do not disagree.

We will review the disputed items promptly and provide *You* with further explanations, details, or corrections. *You* must pay us the correct amounts for the disputed items within 10 days of agreement between *You* and us about their correct amounts. Any disputed items not resolved within 60 days after our response to *Your* written particulars must immediately be submitted to arbitration as set forth below. With our written consent, which shall not be unreasonably withheld, *You* may have reasonable additional time to evaluate our response to *Your* written particulars.

So long as *You* are not otherwise in default under this Agreement, we will not exercise our rights set forth under "What May We Do in Case of Default?", pending the outcome of the arbitration on the disputed amount of *Your Payment Obligation*.

What about disputes other than disputes about payment due?

Any other unresolved dispute arising out of this Agreement must be submitted to arbitration. *You* must notify us in writing as soon as *You* have submitted a dispute to arbitration. We must notify *You* in writing as soon as we have submitted a dispute to arbitration.

Arbitration Procedures

How arbitrators must be chosen: *You* must choose one arbitrator and we must choose another. They will choose the third. If *You* or we refuse or neglect to appoint an arbitrator within 30 days after written notice from the other party requesting it to do so, or if the two arbitrators fail to agree on a third arbitrator within 30 days of their appointment, either party may make an application to a Justice of the Supreme Court of the State of New York, County of New York and the Court will appoint the additional arbitrator or arbitrators.

PAYMENT AGREEMENT

Qualifications of arbitrators: Unless *You* and we agree otherwise, all arbitrators must be executive officers or former executive officers of property or casualty insurance or reinsurance companies or insurance brokerage companies, or risk management officials in an industry similar to *Yours*, domiciled in the United States of America not under the control of either party to this Agreement.

How the arbitration must proceed: The arbitrators shall determine where the arbitration shall take place. The arbitration must be governed by the United States Arbitration Act, Title 9 U.S.C. Section 1, et seq. Judgment upon the award rendered by the arbitrators may be entered by a court having jurisdiction thereof.

You and we must both submit our respective cases to the arbitrators within 30 days of the appointment of the third arbitrator. The arbitrators must make their decision within 60 days following the termination of the hearing, unless *You* and we consent to an extension. The majority decision of any two arbitrators, when filed with *You* and us will be final and binding on *You* and on us.

The arbitrators must interpret this Agreement as an honorable engagement and not merely a legal obligation. They are relieved of all judicial formalities. They may abstain from following the strict rules of law. They must make their award to effect the general purpose of this Agreement in a reasonable manner.

The arbitrators must render their decision in writing, based upon a hearing in which evidence may be introduced without following strict rules of evidence, but in which cross-examination and rebuttal must be allowed.

The arbitrators may award compensatory money damages and interest thereupon. They may order *You* to provide collateral to the extent required by this Agreement. They will have exclusive jurisdiction over the entire matter in dispute, including any question as to its arbitrability. However, they will not have the power to award exemplary damages or punitive damages, however denominated, whether or not multiplied, whether imposed by law or otherwise.

Expenses of Arbitration: *You* and we must each bear the expense of our respective arbitrator and must jointly and equally bear with each other the expense of the third arbitrator and of the arbitration.

This Section will apply whether that dispute arises before or after termination of this Agreement.

TO WHOM MUST YOU AND WE GIVE NOTICES?

We will mail or deliver all notices to *You* at *Your* address in the *Schedule*. *You* must mail or deliver all notices to our Law Representative with a copy to our Account Executive at the address specified in the *Schedule*. All notices must be in writing.

MAY RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT BE ASSIGNED?

Neither *You* nor we may assign our rights or obligations under this Agreement without the written consent of the other, which shall not be unreasonably withheld.

WILL PAST FORBEARANCE WAIVE RIGHTS UNDER THIS AGREEMENT?

Past forbearance, neglect or failure to enforce any or all provisions of this Agreement, or to give notice of insistence upon strict compliance with it, will not be a waiver of any rights. A waiver of rights in a past circumstance will not be a course of conduct that waives any rights in any subsequent circumstance.

WHO MUST PAY TO ENFORCE THIS AGREEMENT?

If *You* or we fail to perform or observe any provisions under this Agreement, the other may incur reasonable additional expenses to enforce or exercise its remedies. Either *You* or we must reimburse the other upon demand and presentation of clear and convincing supporting evidence for any and all such additional expenses.

HOW MAY THIS AGREEMENT BE CHANGED?

This Agreement may be changed only by agreement by *You* and us, as evidenced by a written addendum to this Agreement, duly executed by the authorized representatives of each.

PAYMENT AGREEMENT

WHAT IF THE LAW CHANGES?

If any part of this Agreement should become unenforceable because of any change in law, the remainder of this Agreement will remain in full force and effect.

ARE YOU AUTHORIZED TO MAKE THIS AGREEMENT?

You hereby represent and warrant that Your execution, delivery and performance of this Agreement have been authorized by all necessary corporate actions. The individual executing this agreement on Your behalf has full right and authority to execute and deliver this agreement and to bind You jointly and severally.

SIGNATURES

TO SIGNIFY AGREEMENT, You and we have caused this Agreement to be executed by the duly authorized representatives of each.

For **American International Specialty Lines Insurance Company**

In New York, New York,

This 15th day of November, 2006

Signed by [Signature]

Typed Name David Bowlin

Title Authorized Representative

For You, our Client

General Motors Corporation

In Detroit, Michigan

This 8 day of Nov 2006

Signed by [Signature]

Typed Name Alan G. Gier

Title Director Risk Financing

Schedule of Policies and Payments

Paid-Loss Payments Plan

Effective from 9/1/2006 to 9/1/2007

Annexed to the PAYMENT AGREEMENT

effective on 9/1/2006

by and between us,

American International Specialty Lines Insurance Company

and *You*, our Client

**General Motors Corporation
300 Renaissance Ctr
Detroit, MI 48265-0001**

on behalf of *You* and all *Your* subsidiaries or affiliates except those listed below:

For our use only: Contract Number 680451

Your Address:

Contact Name: Alan Gier
Company Name: General Motors Corporation
Street: 300 Renaissance Ctr
City: Detroit **State:** MI **Zip:** 48265-0001 **Telephone:** (313) 665-3457

Your Representative:

Contact Name: Joseph Callanan
Company Name: Aon Risk Services, Inc. of MI
Street: P.O. Box 5156
City: Southfield **State:** MI **Zip:** 48086-5156 **Telephone:** (248) 396-5293

Our Account Executive:

Contact Name: David Bowlin
Company Name: American International Group
Street: 175 Water Street
City: New York **State:** NY **Zip:** 10038 **Telephone:** (212) 458-6325

Our Law Representative:

Contact Name: Virginia Doty
Company Name: American International Group
Street: 175 Water Street
City: New York **State:** NY **Zip:** 10038 **Telephone:** (212) 458-7015

Remit Payments to:

Contact Name: Lystra Charles
Company Name: American International Group
Street: P.O. Box 10472
City: Newark **State:** NJ **Zip:** 07193 **Telephone:** (908) 679-2621

Remit Collateral to:

Contact Name: Attn: Mr. Art Stillwell
Company Name: American International Group
Street: P.O. Box 923 Wall Street Station
City: New York **State:** NY **Zip:** 10268 **Telephone:** (212) 770-0896

A. Policies and Other Agreements

Commercial General Liability Insurance
 GL 5756340 GL 5756341 GL 5756342
 Automobile Liability Insurance

Other Insurance

Other Agreements (Describe)

B. Payment Plan:**1. Cash Deposit, Installments and Estimated Deferred Amounts**

Pay- ment No.	Due Date	Provision for Expenses and Excess Losses ⁽¹⁾	Special Taxes and Surcharges	Annual Credit Fee	Provision for Limited Losses ⁽²⁾	Your Estimated Payment Obligation
1	2/1/2007	\$15,000	\$0	\$0	\$0	\$15,000
	Subtotals	\$ 15,000	\$0	\$0	\$0	\$15,000
	DLP*	N/A	N/A	N/A	\$73,000,000	\$ 73,000,000
	DEP*	\$0	\$0	\$0	N/A	\$0
	Totals	\$15,000	\$0	\$0	\$0	\$73,015,000

DLP means "Deferred Loss Provision". This is the estimated amount *You* must pay us as "Regular Loss payments" and "Sizeable Loss Payments" described below.

DEP means "Deferred Expense Provision". This is an estimated amount that *You* must pay us as follows:

- Notes:** (1) "Provision for Expenses and Excess Losses" is a part of the Premium
 (2) "Provision for Limited Losses" includes provision for *Loss* within your *Retention* (both Deductible and Loss Limit) and *Your* share of *ALAE*. Any "Deposit" in this column is the Claims Payment Deposit. Refer to definitions in the Payment Agreement.

2. Adjustments

The sums shown above are only estimated amounts. If *Your Payment Obligation* changes under the terms of the *Policies*, we will promptly notify *You* as such changes become known to us. All additional or return amounts relating thereto shall be payable in accordance with the terms of the Payment Agreement.

3. Additional Payments

On a Monthly basis, we will report to *You* the amounts of *Loss* and *ALAE* that we have paid under the *Policies*. *You* must subsequently pay us as described below.

Regular Loss Payments: Regular Loss Payments apply in addition to the amounts shown with Due Dates in Section B above.

We will bill *You* or withdraw funds from the Automatic Withdrawal Account (whichever Billing Method applies as shown below) at the periodic intervals stated above for the amounts of *Loss* within *Your Retention* and *Your* share of *ALAE* that we will have paid under the *Policies*, less all amounts *You* will have paid us to date as such Regular Loss Payments and the Sizable Loss Payments described below.

Sizable Loss Payments: If we must make payment for any *Loss* within *Your Retention* and *Your* share of *ALAE* arising out of a single accident, occurrence, offense, claim or suit that in combination exceeds the Sizable Loss Payment Amount of \$25,000, *You* must pay us the amount of that payment of *Loss* within 10 days after *You* receive our bill.

Billing Method:

- Billing to
 - You* at *Your* address shown in the *Schedule*, or
 - Your* Representative at its address shown in the *Schedule*; or
- Automatic Withdrawal from the account described below.

If Automatic Withdrawal Account applies: Minimum Amount: \$0

Name of Depository Institution:

Address:

Account Number:

4. Conversion

The **Conversion Date** for each *policy* described in section A above shall be the date 66 months after the inception of such *Policy*.

On or shortly after the Conversion Date upon the presentation of our invoice, *You* must pay in cash the entire unpaid amount of *Your Payment Obligation* for such *Policies*.

C. Security Plan

1. Collateral

Collateral on Hand (by Type)	Amount of Collateral	
Cash Security (Cash Collateral)	\$48,000,000	
Total Collateral on Hand	\$48,000,000	
Additional Collateral Required (by Type)	Amount of Collateral	Due Date
Cash Security (Cash Collateral)	\$25,000,000	10/31/2006
Total Additional Collateral Required	\$25,000,000	
Total Collateral Required	\$73,000,000	

2. Financial Covenants, Tests, or Minimum Credit Ratings

We may require additional collateral from *You* in the event of the following:

a. Credit Trigger:

- i. If the credit rating of the entity named below and for the type of debt described below, promulgated by Standard & Poor's Corporation ("S&P") or by Moody's Investors Services, Inc. ("Moody's"), drops below the grade shown respectively under S&P or Moody's, or
- ii. If S&P or Moody's withdraws any such rating.

We may require and *You* must deliver such additional collateral according to the Payment Agreement up to an amount such that our unsecured exposure will not exceed the amount shown as the Maximum Unsecured Exposure next to such rating in the grid below.

"Unsecured exposure" is the difference between the total unpaid amount of *Your Payment Obligation* (including any similar obligation incurred before the inception of the Payment Agreement and including any portion of *Your Payment Obligation* that has been deferred and is not yet due) and the total amount of *Your* collateral that we hold.

Name of Entity: Type of Debt Rated:

Ratings at Effective Date		
S&P	Moody's	Unsecured Exposure at Effective Date
Potential Future Ratings		
S&P	Moody's	Maximum Unsecured Exposure
		\$0

b. Other Financial Tests or Covenants:

3. Adjustment of Credit Fee

If the amount of unsecured exposure is changed because of *Your* delivery of additional collateral to us due to the requirements under item 2 above, the Credit Fee shall be adjusted on a pro-rata basis from the date of such delivery. Adjustment of the credit fee shall not include an adjustment of any fees associated with your deferred premium payment plan.

SIGNATURES

IN WITNESS WHEREOF, *you* and we have caused this *Schedule* to be executed by the duly authorized representatives of each.

For us, **American International Specialty Lines Insurance Company,**

This 21st day of November, 2006

Signed by 

Typed Name David Bowlin

Title Authorized Representative

For You: **General Motors Corporation**

this 8 day of Dec, 2006

Signed by 

Typed Name Alan G. Gier

Title Director Risk Financing

2006 Addendum

to

PAYMENT AGREEMENT

By and between us

American International Specialty Lines Insurance Company

(Company, "we", "us" or "our")

and You, our Client

**General Motors Corporation
300 Renaissance Ctr
Detroit, MI 48265-0001**

This Addendum is attached to and forms a part of the Payment Agreement entered into between Company and Client as of the 1st day of September 2006.

1. The section entitled **WHO HAS AGREED TO THIS AGREEMENT?**, is deleted and replaced with the following:

This Agreement is between:

- You, the organization(s) named as "our Client" in the *Schedule*, and
- us, the insurer set forth above as "Company", "we," "us" and "our" in this Addendum.

2. The section entitled **WHICH WORDS HAVE SPECIAL MEANINGS IN THIS AGREEMENT? 8. - Your Payment Obligation**, is deleted and replaced with the following:

"Your Payment Obligation" means the amounts that You must pay us for the insurance and services in accordance with the terms of the *Policies*, this Agreement, and any similar primary casualty insurance policies and agreements with us incurred before the inception date hereof. Such amounts shall include, but are not limited to, any of the following, including any portions thereof not yet due and payable:

- the premiums and premium surcharges, taxes and assessments,
- *Deductible Loss Reimbursements*,
- any amount that we may have paid on Your behalf because of any occurrence, accident, offense, claim or suit with respect to which you are a self-insurer,
- any other fees, charges, or obligations as shown in the *Schedule* or as may arise as You and we may agree from time to time.
- costs and expenses incurred by any third party administrator.

Loss Reserves: *Your Payment Obligation* includes any portion of the premiums, premium surcharges, *Deductible Loss Reimbursements* or other obligations that we shall have calculated on the basis of our reserves for *Loss* and *ALAE*. Those reserves shall include specific reserves on known *Losses* and *ALAE*, reserves for incurred but not reported *Losses* and *ALAE*, and reserves for statistically expected development on *Losses* and *ALAE* that have been reported to us. Any *Loss* development factors we apply in determining such reserves will be based on our actuarial evaluation of relevant statistical data including, to the extent available and credible, statistical data based upon *Your* cumulative *Loss* and *ALAE* history.

Premium Tax on Deductibles: If any claim is made by any state regulatory authority that the amounts which *You* have paid us as deductible reimbursements hereunder are premium, and thus subject to premium taxes and/or assessments, we will notify *You* of the existence of such claim. We will give *You* the opportunity of joining with us in any proceeding to contest such claim at *Your* own expense, or to contest such claim independently at *Your* own expense. In the event a determination is made that said reimbursed amounts are taxable as premium or subject to assessments, *You* agree to pay the premium taxes and/or assessments and any related fines, penalties or interest that may be imposed as a result of the non-payment of premium taxes and/or assessments applicable to the *Policies*. Any state in which premium tax on deductible reimbursements is already included in the premium charged hereunder will be identified on the *Schedule*.

3. The section entitled: **WHAT ELSE SHOULD YOU KNOW ABOUT YOUR PAYMENT OBLIGATION?** is amended to include the following:

We will contract with a Third Party Administrator (TPA) that you select for the adjustment of your claims under the *Policies* provided that we consent to your selection in advance. Our relationship with the TPA will be governed by a claims service agreement between us and the TPA, a copy of which will be made available to you upon your request. Any TPA you select must meet all of our licensing requirements. You will be responsible for any costs associated with any change from one TPA to another TPA that we or you make at any time. We will exercise good faith consistent with usual and customary commercial practice before we change one TPA to another TPA. Any amounts we pay to any TPA on your behalf shall be considered part of *Your* Payment Obligation, and shall include, but not be limited to the following: cost of adjusting expense at new TPA; costs or losses incurred as a result of claims handling conduct of prior TPA, including fines and penalties; fines and penalties for failure to submit accurate data to regulatory bureaus; data transfer expense; costs to retrieve or recreate information not properly maintained by prior TPA; and costs to set up new escrow account.

4. The section entitled: **WHEN MUST YOU PAY YOUR PAYMENT OBLIGATION?** is amended to include the following:

All payments are due by the due date stated in the *Schedule*, or as respects Additional Payments, within 30 days of the later of the Invoice, Notice or Bill date or *Your* evidenced receipt date of the Invoice, Notice or Bill for each such Additional Payment. If payment is not made when due, interest will accrue on the unpaid balance daily after

the due date at the Prime Rate then in effect at Citibank, N.A., NY, NY, plus 150 basis points.

5. The section entitled: **WHAT ABOUT COLLATERAL?** is amended to include the following:

Collateral Exchange:

At our sole discretion we may approve Your substitution or exchange of one form or instrument of collateral for another. Any replacement collateral must be in a form and drawn on a bank or insurer acceptable to us. If the original collateral was in the form of cash on which interest was being earned, a substitution may result in a change to the interest rate. We will not approve your substitution or exchange of collateral if you are in Default of any of the terms of this Agreement or have triggered any applicable Financial Covenants, Tests or Minimum Credit Ratings shown in the Schedule.

6. The section entitled: **HOW WILL DISAGREEMENTS BE RESOLVED? ARBITRATION PROCEDURES - How Arbitrators Must Be Chosen**, is deleted and replaced with the following:

How arbitrators must be chosen: You must choose one arbitrator and we must choose another. They will choose the third. If you or we refuse or neglect to appoint an arbitrator within 30 days after written notice from the other party requesting it to do so, or if the two arbitrators fail to agree on a third arbitrator within 30 days of their appointment, either party may make application only to a court of competent jurisdiction in the City, County, and State of New York. Similarly, any action or proceeding concerning arbitrability, including motions to compel or to stay arbitration, may be brought only in a court of competent jurisdiction in the City, County, and State of New York.

7. The section entitled: **ARE YOU AUTHORIZED TO MAKE THIS AGREEMENT?** Is amended to include the following:

This Agreement together with the Schedules, Addenda, Policies and any related agreements between *You* and *Us*, constitute the basis for a program of insurance coverage. We would not have entered into any of them without your agreement on all of them. For that reason, you should review all such documents together when making any accounting, tax or legal determinations relating to the insurance program.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their duly authorized representatives.

For **American International Specialty Lines Insurance Company**

On behalf of itself and its affiliates first listed above:

In New York, New York,

This 13th day of February, 2007,

Signed by 

Typed Name David Bowlin

Title Authorized Representative

For You, our Client

General Motors Corporation

In Detroit, MI,

This 28 day of March, 2007

Signed by 

Typed Name Alan Gier

Title Director Risk Financing

Schedule of Policies and Payments

Paid Loss Payments Plan

Effective from 09/01/2007 to 09/01/2008

Annexed to the PAYMENT AGREEMENT

effective on 09/01/2008

by and between us,

American International Specialty Lines Insurance Company

and *You*, our Client

GENERAL MOTORS CORPORATION

300 RENAISSANCE CTR

DETROIT MI 48265-0001

on behalf of *You* and all *Your* subsidiaries or affiliates except those listed below:

For our use only: 680452

List of Addressees for Notices and Other Purposes

Your Address:

Contact Name: Alan Gler
Company Name: GENERAL MOTORS CORPORATION
Street: 300 RENAISSANCE CTR
City: DETROIT **State:** MI **Zip:** 48265-0001 **Phone:** (313) 665-3457

Your Representative:

Contact Name: Joseph Callanan
Company Name: AON RISK SERVICES, INC. OF MI
Street: 3000 TOWN CENTER #3000
City: SOUTHFIELD **State:** MI **Zip:** 48086-5156 **Phone:** (248) 936-5260

Our Account Executive:

Contact Name: Thomas Agnello
Company Name: American International Group
Street: 175 Water Street
City: New York **State:** NY **Zip:** 10038 **Phone:** (212) 458-6325

Our Law Representative:

Contact Name: Salvatore Tollis
Company Name: American International Group
Street: 175 Water Street
City: New York **State:** NY **Zip:** 10038 **Phone:** (212) 458-7051

Remit Payments to:

Contact Name: Lystra Charles
Company Name: American International Companies
Street: PO Box 10472
City: Newark **State:** NJ **Zip:** 07193 **Phone:** (908) 679-2621

Remit Collateral to:

Contact Name: Attn: Mr. Donato DiLuzio
Company Name: American International Group Inc.
Street: P.O.Box 923 Wall Street Station
City: New York **State:** NY **Zip:** 10268 **Phone:** (212) 820-2412

Contact Name:
Company Name:
Street:
City: **State:** **Zip:** **Phone:**

Contact Name:
Company Name:
Street:
City: **State:** **Zip:** **Phone:**

A. Policies and Other Agreements

Workers Compensation and Employers Liability Insurance

Commercial General Liability Insurance

GL 1595325 , GL 1595326 , GL 1595327 , GL 1595328 , GL 1595329 , GL 1595466 , GL 1595502 , GL 1595629.

Automobile Liability Insurance

Other Insurance

Other Agreements (Describe)

B. Payment Plan:

1. Cash Deposit, Installments and Estimated Deferred Amounts

Payment No.	Due Date	Provision for Expenses And Excess Losses(1)	Special Taxes and Surcharges	Annual Credit Fee	Provision for Limited Losses(2)	Your Estimated Payment Obligation
1	02/01/2008	\$90,000	\$0	\$0	\$0	\$90,000
Subtotals		\$90,000	\$0	\$0	\$0	\$90,000
DLP*		N/A	N/A	N/A	\$45,284,947	\$45,284,947
DEP*		\$0	\$0	\$0	N/A	\$0
Totals		\$90,000	\$0	\$0	\$45,284,947	\$45,374,947

DLP means "Deferred Loss Provision". This is the estimated amount You must pay us as "Regular Loss Payments" and "Sizeable Loss Payments" described below.

DEP means "Deferred Expense Provision". This is an estimated amount that You must pay us as follows:

Date	Type	Amount
N/A	N/A	N/A

Notes

- (1) "Provision for Expenses and Excess Losses" is a part of the Premium.
- (2) "Provision for Limited Losses" includes provision for Loss within Your Retention (both Deductible and Loss Limit) and Your share of ALAE. Any "Deposit" in this column is the Claims Payment Deposit. Refer to definitions in the Payment Agreement.

2. Adjustments

The sums shown above are only estimated amounts. If Your Payment Obligation changes under the terms of the Policies, we will promptly notify You as such changes become known to us. All additional or return amounts relating thereto shall be payable in accordance with the terms of the Payment Agreement.

3. Additional Payments

On a Monthly basis, we will report to You the amounts of Loss and ALAE that we have paid under the Policies. You must subsequently pay us as described below.

Regular Loss Payments: Regular Loss Payments apply in addition to the amounts shown with Due Dates in Section B above.

We will bill You or withdraw funds from the Automatic Withdrawal Account (whichever Billing Method applies as shown below) at the periodic intervals stated above for the amounts of Loss within Your Retention and Your share of ALAE that we will have paid under the Policies, less all amounts You will have paid us to date as such Regular Loss Payments and the Sizable Loss Payments described below.

Sizable Loss Payments: If we must make payment for any Loss within Your Retention and Your share of ALAE arising out of a single accident, occurrence, offense, claim or suit that in combination exceeds the Sizable Loss Payment Amount of \$25,000, You must pay us the amount of that payment of Loss within 10 days after

You receive our bill,

Billing Method:

- Billing to
 - You at Your address shown in the *Schedule*, or
 - Your Representative at its address shown in the *Schedule*; or
- Automatic Withdrawal from the account described below.

If Automatic Withdrawal Account applies: Minimum Amount:

Name of Depository Institution:

Address:

Account Number:

4. Conversion

The Conversion Date for each *Policy* described in section A above shall be the date __ months after the inception of such *Policy*.

On or shortly after the Conversion Date upon the presentation of our invoice, You must pay in cash the entire unpaid amount of Your *Payment Obligation* for such *Policies*.

C. Security Plan

1. Collateral

Collateral on Hand (by Type)	Amount of Collateral
Trusts	\$47,214,508
Total Collateral on Hand	\$47,214,508

Additional Collateral Required (by Type)	Amount of Collateral	Due Date
N/A	N/A	
Total Additional Collateral Required	\$0	
Total Collateral Required	\$47,214,508	

2. Financial Covenants, Tests, or Minimum Credit Ratings

We may require additional collateral from You in the event of the following:

a. Credit Trigger:

- i. If the credit rating of the entity named below and for the type of debt described below, promulgated by Standard & Poor's Corporation ("S&P") or by Moody's Investors Services, Inc. ("Moody's"), drops below the grade shown respectively under S&P or Moody's, or
- ii. If S&P or Moody's withdraws any such rating.

We may require and You must deliver such additional collateral according to the Payment Agreement up to an amount such that our unsecured exposure will not exceed the amount shown as the Maximum Unsecured Exposure next to such rating in the grid below.

"Unsecured exposure" is the difference between the total unpaid amount of Your *Payment Obligation* (including any similar obligation incurred before the inception of the Payment Agreement and including any portion of Your *Payment Obligation* that has been deferred and is not yet due) and the total amount of Your collateral that we hold.

Name of Entity: Type of Debt Rated:

Ratings at Effective Date

S&P	Moody's	Unsecured Exposure at Effective Date
Potential Future Ratings		
S&P	Moody's	Maximum Unsecured Exposure

b. Other Financial Tests or Covenants:

3. Adjustment of Credit Fee

If the amount of unsecured exposure is changed because of *Your* delivery of additional collateral to us due to the requirements under Item 2 above, the Credit Fee shall be adjusted on a pro-rata basis from the date of such delivery. Adjustment of the credit fee shall not include an adjustment of any fees associated with your deferred premium payment plan.

SIGNATURES

IN WITNESS WHEREOF, *You* and we have caused this *Schedule* to be executed by the duly authorized representatives of each.

For us, American International Specialty Lines Insurance Company

this 18th day of December, 2007

Signed by *Thomas P. Agnello*

Typed Name Thomas Agnello

Title Attorney-In-Fact

For You: GENERAL MOTORS CORPORATION

this 14 day of January, 2008

Signed by *Alan G. Gier*

Typed Name Alan G. Gier

Title Director, Global Risk Financing & Insurance

Schedule of Policies and Payments

Paid-Loss Payments Plan

Effective from 04/01/2009 to 04/01/2010

Annexed to the PAYMENT AGREEMENT

effective on 09/01/2006

by and between us,

American International Specialty Lines Insurance Company

and *You*, our Client

General Motors Corporation

on behalf of *You* and all *Your* subsidiaries or affiliates except those listed below:

(None)

For our use only: Contract Number

Your Address:

Contact Name: Alan Gler

Company Name: General Motors Corporation

Street: 300 Renaissance Center

City: Detroit

State: MI

Zip: 48265

Telephone: (313)665-3457

Your Representative:

Contact Name: Joseph Callanan

Company Name: Aon Risk Services

Street: 3000 Town Center

City: Southfield

State: MI

Zip: 48075

Telephone: (248)938-5260

Our Account Executive:

Contact Name: Peter Rapclewicz

Company Name: American International Specialty Lines Insurance Company

Street: 175 Water Street, 27th Floor

City: New York

State: NY

Zip: 10038

Telephone: (212)458-3019

Our Law Representative:

Contact Name: Salvatore Tollis

Company Name: AIU Holdings, Inc.

Street: 175 Water Street, 18th Floor

City: New York

State: NY

Zip: 10038

Telephone: (212)458-7051

Remit Payments to:

Contact Name: Lystra Charles

Company Name: AIU Holdings, Inc.

Street: PO Box 10472

City: Newark

State: NJ

Zip: 07193

Telephone: (908)679-2621

Remit Collateral to:

Contact Name: Attn: Donato DiLuzio

Company Name: AIU Holdings, Inc.

Street: PO Box 923, Wall Street Station

City: New York

State: NY

Zip: 10268

Telephone: (212)820-2412

A. Policies and Other Agreements

Workers Compensation and Employers Liability Insurance

Commercial General Liability Insurance
 0907325 09027326 0907327 0907328
 Automobile Liability Insurance

Other Insurance

Other Agreements (Describe)

B. Payment Plan:**1. Cash Deposit, Installments and Estimated Deferred Amounts**

Pay-ment No.	Due Date	Provision for Expenses and Excess Losses ⁽¹⁾	Special Taxes and Surcharges	Annual Credit Fee	Provision for Limited Losses ⁽²⁾	Your Estimated Payment Obligation
1	04/01/2009	\$140,000	\$0	\$0	\$0	\$140,000
	Subtotals	\$140,000	\$0	\$0	\$0	\$140,000
	DLP*	N/A	N/A	N/A	\$31,300,114	\$31,300,114
	DEP*	\$0	\$0	\$0	N/A	\$ 0.00
	Totals	\$140,000	\$0	\$0	\$31,300,114	\$31,440,114

DLP means "Deferred Loss Provision". This is the estimated amount *You* must pay us as "Regular Loss payments" and "Sizeable Loss Payments" described below.

DEP means "Deferred Expense Provision". This is an estimated amount that *You* must pay us as follows:

Notes: (1) "Provision for Expenses and Excess Losses" is a part of the Premium

(2) "Provision for Limited Losses" Includes provision for *Loss* within your *Retention* (both Deductible and Loss Limit) and *Your* share of *ALAE*. Any "Deposit" in this column is the Claims Payment Deposit. Refer to definitions in the Payment Agreement.

2. Adjustments

The sums shown above are only estimated amounts. If *Your Payment Obligation* changes under the terms of the *Policies*, we will promptly notify *You* as such changes become known to us. All additional or return amounts relating thereto shall be payable in accordance with the terms of the Payment Agreement.

3. Additional Payments

On a Monthly basis, we will report to *You* the amounts of *Loss* and *ALAE* that we have paid under the *Policies*. *You* must subsequently pay us as described below.

Regular Loss Payments: Regular Loss Payments apply in addition to the amounts shown with Due Dates in Section B above.

We will bill *You* or withdraw funds from the Automatic Withdrawal Account (whichever Billing Method applies as shown below) at the periodic intervals stated above for the amounts of *Loss* within *Your Retention* and *Your* share of *ALAE* that we will have paid under the *Policies*, less all amounts *You* will have paid us to date as such Regular Loss Payments and the Sizable Loss Payments described below.

Sizable Loss Payments: If we must make payment for any *Loss* within *Your Retention* and *Your* share of *ALAE* arising out of a single accident, occurrence, offense, claim or suit that in combination exceeds the Sizable Loss Payment Amount of \$25,000, *You* must pay us the amount of that payment of *Loss* within 10 days after *You* receive our bill.

Billing Method:

- Billing to
 - You* at *Your* address shown in the *Schedule*, or
 - Your* Representative at its address shown in the *Schedule*; or
- Automatic Withdrawal from the account described below.

If Automatic Withdrawal Account applies: Minimum Amount: \$0

Name of Depository Institution:

Address:

Account Number:

4. Conversion

The **Conversion Date** for each *policy* described in section A above shall be the date _ months after the inception of such *Policy*.

On or shortly after the **Conversion Date** upon the presentation of our invoice, *You* must pay in cash the entire unpaid amount of *Your Payment Obligation* for such *Policies*.

C. Security Plan

1. Collateral

Collateral on Hand (by Type)	Amount of Collateral	
Trusts	\$32,501,547	
Total Collateral on Hand	\$32,501,547	
Additional Collateral Required (by Type)	Amount of Collateral	Due Date
Trusts	(\$1,201,433)	
Total Additional Collateral Required	\$ 0	
Total Collateral Required	\$31,300,114	

2. Financial Covenants, Tests, or Minimum Credit Ratings

We may require additional collateral from You in the event of the following:

a. Credit Trigger:

- i. If the credit rating of the entity named below and for the type of debt described below, promulgated by Standard & Poor's Corporation ("S&P") or by Moody's Investors Services, Inc. ("Moody's"), drops to or below the grade shown respectively under S&P or Moody's, or
- ii. If S&P or Moody's withdraws any such rating.

We may require and You must deliver such additional collateral according to the Payment Agreement up to an amount such that our unsecured exposure will not exceed the amount shown as the Maximum Unsecured Exposure next to such rating in the grid below.

"Unsecured exposure" is the difference between the total unpaid amount of Your Payment Obligation (including any similar obligation incurred before the inception of the Payment Agreement and including any portion of Your Payment Obligation that has been deferred and is not yet due) and the total amount of Your collateral that we hold.

Name of Entity: Type of Debt Rated:

Ratings at Effective Date		
S&P	Moody's	Unsecured Exposure at Effective Date
Potential Future Ratings		
S&P	Moody's	Maximum Unsecured Exposure
		\$0

b. Other Financial Tests or Covenants:

3. Adjustment of Credit Fee

If the amount of unsecured exposure is changed because of Your delivery of additional collateral to us due to the requirements under Item 2 above, the Credit Fee shall be adjusted on a pro-rata basis from the date of such delivery. Adjustment of the credit fee shall not include an adjustment of any fees associated with your deferred premium payment plan.

SIGNATURES

IN WITNESS WHEREOF, you and we have caused this Schedule to be executed by the duly authorized representatives of each.

For us, American International Specialty Lines Insurance Company,

This 12th day of May, 2009

Signed by 

Typed Name Joseph Davide

Title Attorney-in-Fact

For You: General Motors Corporation

this 22 day of June 2009

Signed by 

Typed Name Alan G. Coier

Title Director, Global Risk Financing & Insurance



Payment Agreement

For
Insurance and Risk Management Services

effective on the 1st day of April, 2009

by and between us,

Lexington Insurance Company

And you, our Client

General Motors Corporation

300 Renaissance Center

Detroit, MI 48265

in consultation with your representative

Aon Risk Services

3000 Town Center, Suite 3000

Southfield, MI 48075

PAYMENT AGREEMENT

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PAYMENT AGREEMENT

WHO HAS AGREED TO THIS AGREEMENT?

This Agreement is between:

- You, the organization(s) named as "our Client" in the *Schedule*, and
- us, the insurer(s) named in the *Schedule*.

The words "we", "us" and "our" in this Agreement refer to the insurer(s) named in the *Schedule*.

WHAT HAVE YOU AND WE AGREED TO?

We have agreed to the following:

- to provide You insurance and services according to the *Policies* and other agreements; and
- to extend credit to You by deferring our demand for full payment of the entire amount of Your *Payment Obligation* if You make partial payments according to this Agreement.

To induce us to agree as above,

You have agreed to the following:

- to pay us all Your *Payment Obligation* and to perform all Your other obligations according to this Agreement and *Schedule* for all entities covered by the *Policies*;
 - to provide us with collateral according to this Agreement and *Schedule*;
-

WHEN DOES THIS AGREEMENT BEGIN?

This Agreement begins on the Effective Date shown in the first page (the title page) of this Agreement. Unless otherwise agreed in writing, this Agreement will also apply to any policies and Schedules that we may issue as renewals, revisions, replacements or additions to the attached *Schedule* and the *Policies* listed there.

WHEN WILL THIS AGREEMENT END?

This Agreement will end only after You and we have settled and paid all obligations between You and us relating to this Agreement. Neither You nor we may cancel this Agreement without the other's consent.

WHICH WORDS HAVE SPECIAL MEANINGS IN THIS AGREEMENT?

Words with special meanings in the *Policies* have the same meanings in this Agreement as they have in the *Policies*. Non-italicized capitalized words in this Agreement are defined in the *Policies*, or their meanings are otherwise described in this Agreement.

The following are definitions of other special words. Terms printed in this Agreement in italic typeface have the meanings described below.

1. "ALAE" means Allocated Loss Adjustment Expense as defined in the *Policies*.
2. "Deductible Loss Reimbursements" means the portion of any Loss and ALAE we pay that You must reimburse us for under any "Deductible" or "Loss Reimbursement" provisions of a *Policy*.
3. "Loss" or "Losses" means damages, benefits or indemnity that we become obligated under the terms of the *Policies* to pay to claimants.
4. "Policy" or "Policies" means:
 - any of the insurance *Policies* described by their policy numbers in the *Schedule*, and their replacements and renewals;
 - any additional insurance *Policies* that we may issue to You that You and we agree to make subject to this Agreement;
5. "Retained Amount" or "Retention" means one of the following:
 - Self-insured Retention: the amount specified in the applicable *Policy* as Your Self-insured Retention per occurrence, accident, offense, claim or suit; or
 - Deductible: the amount specified in the applicable *Policy* as the Reimbursable or Deductible portion of Loss per occurrence, accident, offense, claim or suit; or
 - Loss Limit: the portion of any Loss we pay because of an occurrence, offense, accident, claim or suit, that we will include in the computation of the premiums.

The *Policies* show the type of Retention that applies to any specific occurrence, offense, accident, claim or suit.

PAYMENT AGREEMENT

6. "Schedule" means each of the attachments to this Agreement that describes specific elements of the Agreement for a specified period of time. Each *Schedule* is a part of this Agreement. Additional *Schedules* or amendments to *Schedules* may be attached to this Agreement from time to time by mutual agreement between *You* and us.
7. "You" means the person or organization named as our Client in the title page of this Agreement, its predecessor and successor organizations, and each of its subsidiary, affiliated or associated organizations that are included as Named Insureds under any of the *Policies*. Each is jointly and severally liable to us for the entire amount of *Your Payment Obligation*.
8. "Your Payment Obligation" means the amounts that you must pay us for the insurance and services in accordance with the terms of the *Policies*, this Agreement, and any similar primary casualty insurance policies and agreements with us incurred before the inception date hereof. Such amounts shall include, but are not limited to, any of the following, including any portions thereof not yet due and payable:
 - the premiums and premium surcharges,
 - *Deductible Loss Reimbursements*,
 - any amount that we may have paid on *Your* behalf because of any occurrence, accident, offense, claim or suit with respect to which *you* are a self-insurer,
 - any other fees, charges, or obligations as shown in the *Schedule* or as may arise as *You* and we may agree from time to time.

Loss Reserves: *Your Payment Obligation* includes any portion of the premiums, premium surcharges, *Deductible Loss Reimbursements* or other obligations that we shall have calculated on the basis of our reserves for Loss and ALAE. Those reserves shall include specific reserves on known Losses and ALAE, reserves for incurred but not reported Losses and ALAE, and reserves for statistically expected development on Losses and ALAE that have been reported to us. Any Loss development factors we apply in determining such reserves will be based on our actuarial evaluation of relevant statistical data including, to the extent available and credible, statistical data based upon *your* cumulative Loss and ALAE history.

WHAT ELSE SHOULD YOU KNOW ABOUT YOUR PAYMENT OBLIGATION?

Amounts: We will calculate *Your Payment Obligation* according to the methods stated in the *Policies* and any other similar primary casualty insurance policies and agreements between us.

You must abide by the results under this Agreement of any payment of Loss or ALAE that the claims service provider or we shall have made in the absence of negligence and in good faith under any of the *Policies*.

Credit: Credit is extended to you whenever *Your* payment of some or all of *Your Payment Obligation* is postponed beyond the effective date of the insurance policies to which such obligations pertain. Any extension of unsecured credit to *You* under this Agreement is extended only for the duration of the policy year for which it is extended. It is subject to review and revision or withdrawal at each anniversary of this Agreement or at other times in accordance with the terms of this Agreement. Any extension of credit to you under this Agreement, including any deferral or waiver of the collection of collateral from *You* is not an assumption by us of any of *Your* obligations to us. Any extension of credit to *You* does not limit our right to enforce *Your* performance under this Agreement.

A Credit Fee may be charged for any unsecured credit extended to you. The Credit Fee, if any, is shown in the *Schedule*. Any such Credit Fee is an annual fee and applies only to the policy year to which such *Schedule* applies. A renewal Credit Fee may be charged for the period of any renewed extension of unsecured credit, and shall be shown in the *Schedule* pertaining thereto.

Payment of the Credit Fee, if any, is neither payment of premium for insurance of any kind nor payment of *Deductible Loss Reimbursements*.

WHEN MUST YOU PAY YOUR PAYMENT OBLIGATION?

All payments are due by the due date stated in the *Schedule*, or as respects Additional Payments, within 30 days of the later of the Invoice, Notice or Bill date or your evidenced receipt date of the Invoice, Notice or Bill for each such Additional Payment.

PAYMENT AGREEMENT

WHAT IS THE PAYMENT PLAN?

Deposit and Installments

You must pay us a Deposit and Installments in the amounts and by the dates shown in the *Schedule* for the *Policies* described in the *Schedule*.

Claims Payment Deposit: If so shown in the *Schedule*, the Deposit includes a Claims Payment Deposit. The Claims Payment Deposit will not bear interest. We will return the amount of the Claim Payment Deposit to You when You have paid us all amounts due us.

If the total amount of claims we shall have paid on Your behalf exceeds the sum of the Claims Payment Deposit for three (3) consecutive billing periods, we may require You to pay us additional funds for the Claims Payment Deposit. However, the entire Claims Payment Deposit shall not exceed 250% of the average amount of the claims we had paid in each of the prior 3 periods.

Additional Payments

You must also make payments in addition to the Deposit and Installments according to the Payment Method described under "Additional Payments" in the *Schedule*.

WHAT IS THE BILLING METHOD?

Deposit and Installments: You must pay us the amounts shown in the *Schedule* as "Installments". You must pay us those amounts by their Due Dates shown there.

Additional Payments: You have chosen the Direct Billing Method or the Automatic Withdrawal Method, or a combination of both. Your choice is shown in the *Schedule*.

Direct Billing Method

For the Additional Payments described under "WHAT IS THE PAYMENT PLAN?", we will further bill You as necessary for the payment of Losses we must pay or have paid within Your "Retention" and Your share of ALAE covered by the *Policies*. We will not bill more than permitted under any Aggregate Stop or Maximum Premium or Maximum Insurance Cost provisions that apply to the *Policies*.

Automatic Withdrawal Method

For the Additional Payments described under "WHAT IS THE PAYMENT PLAN?", we will draw funds from the "Automatic Withdrawal Account" described in the *Schedule* as necessary for the payment of Losses within Your "Retention" and Your share of ALAE covered by the *Policies*. We will not withdraw more than permitted under any Aggregate Stop or Maximum Premium or Maximum Insurance Cost provisions that apply to the *Policies*.

You hereby authorize us to withdraw funds from that Account upon our demand.

You must pay enough cash into that "Automatic Withdrawal Account" to cover our expected payments of Loss within Your Retention and Your share of ALAE during the next Claims Payment Fund Coverage Period shown in the *Schedule*. The minimum amount of such cash funds is shown in the *Schedule* as "Minimum Amount". You must make a payment in that amount into that Account immediately whenever its balance falls below 25% of that amount. Interest earned on that Account belongs to You.

PAYMENT AGREEMENT

WHAT ABOUT COLLATERAL?

Collateral is Required

You must deliver collateral acceptable to us to secure *Your Payment Obligation* at the time(s), in the form(s) and in the amount(s) shown in the *Schedule*. Subject to the terms of this Agreement, we may apply any collateral we hold in connection with this or any other similar primary casualty insurance policies or agreements to *Your Payment Obligation*.

Grant of Security Interest and Right to Offset

You grant us a possessory security interest in any property You deliver to us to secure *Your Payment Obligation*. You also grant us a continuing first-priority security interest and right of offset with respect to all premiums, surcharges, dividends, cash, accounts, or funds that are payable to You and are now or may in the future come into our possession in connection with *Your Payment Obligation*. You agree to assist us in any reasonable way to enable us to perfect our interest. You direct us to hold all such sums as collateral for *Your Payment Obligation* as they may be payable now or may become payable in the future.

Letter of Credit

Any letter of credit must be clean, unconditional, irrevocable and evergreen. It must be from a bank that we and the Securities Valuation Office of the National Association of Insurance Commissioners have approved and in a form acceptable to us. It must be in the amount shown in the *Schedule*.

If any letter of credit is canceled, no later than 30 days before that letter of credit expires, You must deliver to us a substitute letter of credit that complies with the requirements set forth above. Upon Your written request, we will not unreasonably withhold our consent to a reasonable extension of the time within which You must deliver such a substitute letter of credit to us. The substitute letter of credit must take effect no later than the date of termination of the expiring letter of credit. Your duty to deliver such a letter of credit will continue until You have satisfied all Your obligations under this Agreement and the *Policies*. If You fail to provide us with a qualifying substitute letter of credit as indicated above, we may draw upon the existing letter of credit in full.

Other Collateral

With respect to any collateral we accept other than a letter of credit, including but not limited to any collateral we hold in trust or escrow, any agreements between You and us about our respective rights and obligations with respect to such collateral are incorporated by reference into this Agreement. Nothing in those agreements will limit or modify any of our rights under this Agreement.

Collateral Reviews

The collateral we require to secure *Your Payment Obligation* is subject to reviews and revisions as described below.

We will review our collateral requirement annually. In addition, we may review our collateral requirement at any time that we may deem reasonably necessary, including at any time after an event such as but not limited to the following:

1. the non-renewal or cancellation of any *Policy* to which this Agreement applies,
2. the failure or violation of any financial covenants or tests, or minimum financial rating (if any) specified in the *Schedule*,
3. the occurrence of any direct or indirect transaction for the merger or consolidation, or the conveyance, sale, transfer, dividend, spin-off, lease, or sale and lease back, of all or any material portion of *Your* property, assets, business or equity to any other entity,
4. any material adverse change in the financial condition of You, *Your* subsidiaries or affiliates taken separately or in combination, or any other entity on which we rely for security or guarantee in connection with this Agreement.

You and we will cooperate with each other and each other's designated consultants in the conduct of such reviews.

If as a result of any review we find that we require additional collateral, You will provide us such additional collateral within 30 days of our written request, which shall be accompanied by a worksheet showing our calculation of the amount thereof. If a return of collateral to You is indicated, we will return annually the indicated amount to You within 30 days of our written acknowledgement thereof.

PAYMENT AGREEMENT

Collateral Adjustment Procedure

The additional collateral that *You* must provide us will be in the amount of the difference between the total unpaid amount of *Your Payment Obligation* and the total amount of *Your* collateral that we then hold. We may adjust the collateral requirement relating to the unexpired term of the *Policies* on the basis of our evaluation of *Your* financial condition. If such difference is a negative sum, that sum is the amount that we will return to *You*. However, we are not obligated to return collateral to *You* if *You* are in default of any provision of this Agreement or any other similar agreement relating to your primary casualty insurance with us.

Financial Information

You must provide financial information to us as a basis for our collateral reviews within 14 days after our request.

If *You* are not subject to the reporting requirements of the Securities and Exchange Act of 1934, *You* must provide us copies of *Your* audited annual financial statements.

If we so request, *You* must provide us such financial information as we may reasonably deem necessary to determine *Your* financial condition, including but not limited to copies of *Your* completed quarterly financial statements. Those statements must include the following:

- balance sheet,
- income statement
- statement of retained earnings,
- cash flow statement,
- notes to the statements, and
- any supplemental schedules.

Reporting Requirement

Give us prompt notice of the event of any default as described in the section titled "What is Default", or any event described in the section titled "Collateral Reviews" in this Agreement, that has happened or is about to happen.

As an alternative to the above, at *Your* option, provide us with the same notices at the same time that *You* provide such notices to any other creditor regarding any material financial or operational condition that *You* are obligated to report to such other creditor.

WHAT IS DEFAULT?

Default is any of the following:

1. failure by *You* or any of *Your* subsidiaries or affiliates to perform within 5 days after its due date any obligation *You* or any of *Your* subsidiaries or affiliates have under this Agreement or any other agreement with us.
2. *Your* insolvency, or the occurrence of any of the following:
 - the commencement of liquidation or dissolution proceedings, *Your* general failure to pay debts as they become due, general assignment by *You* for the benefit of creditors, the filing by or against *You* of any petition, proceeding, case or action under the provisions of the United States Bankruptcy Code or other such law relating to debtors, the appointment of, or the voluntary or involuntary filing for a petition for the appointment of, a receiver, liquidator, rehabilitator, trustee, custodian or similar official to take possession or control of any of *Your* property; or
 - *Your* default on any material outstanding debt not cured within its applicable cure period, if any.
3. the cancellation by *You*, without our prior consent, of any *Policy* material to this Agreement. However, *Your* concurrent cancellation of all the unexpired *Policies* shall not constitute default.
4. the discovery of any material inaccuracy or incompleteness in any representation, warranty or condition precedent *You* make in connection with this Agreement, the insurance afforded by any of the *Policies* or *Your Payment Obligation*.

PAYMENT AGREEMENT

WHAT MAY WE DO IN CASE OF DEFAULT?

If default occurs, we may take reasonable and appropriate steps that are necessary to protect our interest. We will exercise good faith consistent with usual and customary commercial and credit practice in selecting and exercising such steps. We may take steps such as the following:

1. We may declare the entire unpaid amount of *Your Payment Obligation* immediately due and payable.
2. We may change any or all unexpired *Policies* under Loss Reimbursement or Deductible plans to Non-Deductible plans for the remaining term of any such *Policy*, to become effective after ten days written notice to *You*. We will therewith increase the premiums for those *Policies* in accordance with our applicable rating plan.
3. We may draw upon, liquidate, or take ownership of any or all collateral we hold regardless of the form, and hold or apply such amounts to any of *Your Payment Obligation* under this Agreement or any other premium, surcharge or deductible financing agreement between *You* and us, or under any *Policies*. However, we will not draw upon, liquidate, or take ownership of more collateral than is reasonably necessary to protect our interest.
4. We may require *You* to deliver to us additional collateral, including an amendment to the letter of credit or an additional letter of credit or other additional collateral. The other additional collateral, letter of credit or its amendment must conform to the requirements described above. *You* must deliver it within 15 days of *Your* receipt of a written notice from us.
5. We may cancel any or all unexpired *Policies* as if for non-payment of premium or *Deductible Loss Reimbursements*. We may apply any return of premium resulting from the cancellation to remedy any default.
6. We may withhold payment of claims to *You* or any of *Your* subsidiaries or affiliates.
7. We may satisfy *Your* obligations to us in whole or in part by set-off against any moneys, securities, collateral, consideration or property of *Yours* received by, pledged to, held by or otherwise available to us in connection with *Your Payment Obligation*. *You* authorize us after any default to charge any account that *You* maintain with us in connection with *Your Payment Obligation* in order to satisfy any of *Your* obligations.

HOW WILL DISAGREEMENTS BE RESOLVED?

What if we disagree about payment due?

If *You* disagree with us about any amount of *Your Payment Obligation* that we have asked *You* to pay, within the time allowed for payment *You* must:

- give us written particulars about the items with which *You* disagree; and
- pay those items with which *You* do not disagree.

We will review the disputed items promptly and provide *You* with further explanations, details, or corrections. *You* must pay us the correct amounts for the disputed items within 10 days of agreement between *You* and us about their correct amounts. Any disputed items not resolved within 60 days after our response to *Your* written particulars must immediately be submitted to arbitration as set forth below. With our written consent, which shall not be unreasonably withheld, *You* may have reasonable additional time to evaluate our response to *Your* written particulars.

So long as *You* are not otherwise in default under this Agreement, we will not exercise our rights set forth under "What May We Do In Case of Default?", pending the outcome of the arbitration on the disputed amount of *Your Payment Obligation*.

What about disputes other than disputes about payment due?

Any other unresolved dispute arising out of this Agreement must be submitted to arbitration. *You* must notify us in writing as soon as *You* have submitted a dispute to arbitration. We must notify *You* in writing as soon as we have submitted a dispute to arbitration.

Arbitration Procedures

How arbitrators must be chosen: *You* must choose one arbitrator and we must choose another. They will choose the third. If *You* or we refuse or neglect to appoint an arbitrator within 30 days after written notice from the other party requesting it to do so, or if the two arbitrators fail to agree on a third arbitrator within 30 days of their appointment, either party may make an application to a Justice of the Supreme Court of the State of New York, County of New York and the Court will appoint the additional arbitrator or arbitrators.

PAYMENT AGREEMENT

Qualifications of arbitrators: Unless You and we agree otherwise, all arbitrators must be executive officers or former executive officers of property or casualty insurance or reinsurance companies or insurance brokerage companies, or risk management officials in an industry similar to Yours, domiciled in the United States of America not under the control of either party to this Agreement.

How the arbitration must proceed: The arbitrators shall determine where the arbitration shall take place. The arbitration must be governed by the United States Arbitration Act, Title 9 U.S.C. Section 1, et seq. Judgment upon the award rendered by the arbitrators may be entered by a court having jurisdiction thereof.

You and we must both submit our respective cases to the arbitrators within 30 days of the appointment of the third arbitrator. The arbitrators must make their decision within 60 days following the termination of the hearing, unless You and we consent to an extension. The majority decision of any two arbitrators, when filed with You and us will be final and binding on You and on us.

The arbitrators must interpret this Agreement as an honorable engagement and not merely a legal obligation. They are relieved of all judicial formalities. They may abstain from following the strict rules of law. They must make their award to effect the general purpose of this Agreement in a reasonable manner.

The arbitrators must render their decision in writing, based upon a hearing in which evidence may be introduced without following strict rules of evidence, but in which cross-examination and rebuttal must be allowed.

The arbitrators may award compensatory money damages and interest thereupon. They may order You to provide collateral to the extent required by this Agreement. They will have exclusive jurisdiction over the entire matter in dispute, including any question as to its arbitrability. However, they will not have the power to award exemplary damages or punitive damages, however denominated, whether or not multiplied, whether imposed by law or otherwise.

Expenses of Arbitration: You and we must each bear the expense of our respective arbitrator and must jointly and equally bear with each other the expense of the third arbitrator and of the arbitration.

This Section will apply whether that dispute arises before or after termination of this Agreement.

TO WHOM MUST YOU AND WE GIVE NOTICES?

We will mail or deliver all notices to You at Your address in the Schedule. You must mail or deliver all notices to our Law Representative with a copy to our Account Executive at the address specified in the Schedule. All notices must be in writing.

MAY RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT BE ASSIGNED?

Neither You nor we may assign our rights or obligations under this Agreement without the written consent of the other, which shall not be unreasonably withheld.

WILL PAST FORBEARANCE WAIVE RIGHTS UNDER THIS AGREEMENT?

Past forbearance, neglect or failure to enforce any or all provisions of this Agreement, or to give notice of insistence upon strict compliance with it, will not be a waiver of any rights. A waiver of rights in a past circumstance will not be a course of conduct that waives any rights in any subsequent circumstance.

WHO MUST PAY TO ENFORCE THIS AGREEMENT?

If You or we fail to perform or observe any provisions under this Agreement, the other may incur reasonable additional expenses to enforce or exercise its remedies. Either You or we must reimburse the other upon demand and presentation of clear and convincing supporting evidence for any and all such additional expenses.

HOW MAY THIS AGREEMENT BE CHANGED?

This Agreement may be changed only by agreement by You and us, as evidenced by a written addendum to this Agreement, duly executed by the authorized representatives of each.

PAYMENT AGREEMENT

WHAT IF THE LAW CHANGES?

If any part of this Agreement should become unenforceable because of any change in law, the remainder of this Agreement will remain in full force and effect.

ARE YOU AUTHORIZED TO MAKE THIS AGREEMENT?

You hereby represent and warrant that Your execution, delivery and performance of this Agreement have been authorized by all necessary corporate actions. The individual executing this agreement on Your behalf has full right and authority to execute and deliver this agreement and to bind You jointly and severally.

SIGNATURES

TO SIGNIFY AGREEMENT, You and we have caused this Agreement to be executed by the duly authorized representatives of each.

For Lexington Insurance Company
On behalf of itself and its affiliates first listed above:

In New York, New York,
This 12th day of May, 2009

Signed by [Signature]

Typed Name: Joseph Davide
Title: Attorney-in-Fact

For You, our Client

General Motors Corporation

In Detroit, Michigan
This 22 day of October, 2009

Signed by [Signature]

Typed Name Alan G. Pires
Title Director, Global Risk Financing & Insurance

Schedule of Policies and Payments

Paid-Loss Payments Plan

Effective from 04/01/2009 to 04/01/2010

Annexed to the PAYMENT AGREEMENT

effective on 04/01/2009

by and between us,

Lexington Insurance Company

and You, our Client

General Motors Corporation

on behalf of You and all Your subsidiaries or affiliates except those listed below:

(None)

For our use only: Contract Number

Your Address:

Contact Name: Alan Gier
 Company Name: General Motors Corporation
 Street: 300 Renaissance Center
 City: Detroit State: Michigan Zip: 48265 Telephone: (313)865-3457

Your Representative:

Contact Name: Joseph Callanan
 Company Name: Aon Risk Services
 Street: 3000 Town Center, Suite 3000
 City: Southfield State: MI Zip: 48075 Telephone: (248)936-5260

Our Account Executive:

Contact Name: Peter Rapielwicz
 Company Name: Lexington Insurance Company
 Street: 175 Water Street, 27th Floor
 City: New York State: NY Zip: 10038 Telephone: (212)458-3019

Our Law Representative:

Contact Name: Salvatore Tollis
 Company Name: AIU Holdings, Inc.
 Street: 175 Water Street, 18th Floor
 City: New York State: NY Zip: 10038 Telephone: (212)458-7051

Remit Payments to:

Contact Name: Lystra Charles
 Company Name: AIU Holdings, Inc.
 Street: PO Box 10472
 City: Newark State: NJ Zip: 07193 Telephone: (908)679-2621

Remit Collateral to:

Contact Name: Attn: Donato DiLuzio
 Company Name: AIU Holdings, Inc.
 Street: PO Box 923, Wall Street Station
 City: New York State: NY Zip: 10268 Telephone: (212)820-2412

A. Policies and Other Agreements

Workers Compensation and Employers Liability Insurance

Commercial General Liability Insurance

0907328 0907330

Automobile Liability Insurance

Other Insurance

Other Agreements (Describe)

B. Payment Plan:**1. Cash Deposit, Installments and Estimated Deferred Amounts**

Payment No.	Due Date	Provision for Expenses and Excess Losses ⁽¹⁾	Special Taxes and Surcharges	Annual Credit Fee	Provision for Limited Losses ⁽²⁾	Your Estimated Payment Obligation
1	04/01/2009	\$60,000	\$0	\$0	\$0	\$ 60,000
	Subtotals	\$60,000	\$ 0	\$ 0	\$ 0	\$ 60,000
	DLP*	N/A	N/A	N/A	\$898,445	\$898,445
	DEP*	\$0	\$0	\$0	N/A	\$ 0
	Totals	\$60,000	\$ 0	\$ 0	\$898,445	\$ 958,445

DLP means "Deferred Loss Provision". This is the estimated amount You must pay us as "Regular Loss payments" and "Sizeable Loss Payments" described below.

DEP means "Deferred Expense Provision". This is an estimated amount that You must pay us as follows:

Notes: (1) "Provision for Expenses and Excess Losses" is a part of the Premium

(2) "Provision for Limited Losses" includes provision for Loss within your *Retention* (both Deductible and Loss Limit) and Your share of ALAE. Any "Deposit" in this column is the Claims Payment Deposit. Refer to definitions in the Payment Agreement.

2. Adjustments

The sums shown above are only estimated amounts. If *Your Payment Obligation* changes under the terms of the *Policies*, we will promptly notify *You* as such changes become known to us. All additional or return amounts relating thereto shall be payable in accordance with the terms of the *Payment Agreement*.

3. Additional Payments

On a **Monthly** basis, we will report to *You* the amounts of *Loss* and *ALAE* that we have paid under the *Policies*. *You* must subsequently pay us as described below.

Regular Loss Payments: Regular Loss Payments apply in addition to the amounts shown with *Due Dates* in Section B above.

We will bill *You* or withdraw funds from the *Automatic Withdrawal Account* (whichever *Billing Method* applies as shown below) at the periodic intervals stated above for the amounts of *Loss* within *Your Retention* and *Your* share of *ALAE* that we will have paid under the *Policies*, less all amounts *You* will have paid us to date as such *Regular Loss Payments* and the *Sizable Loss Payments* described below.

Sizable Loss Payments: If we must make payment for any *Loss* within *Your Retention* and *Your* share of *ALAE* arising out of a single accident, occurrence, offense, claim or suit that in combination exceeds the *Sizable Loss Payment Amount* of **\$25,000**, *You* must pay us the amount of that payment of *Loss* within 10 days after *You* receive our bill.

Billing Method:

Billing to

You at *Your* address shown in the *Schedule*, or

Your Representative at its address shown in the *Schedule*; or

Automatic Withdrawal from the account described below.

If Automatic Withdrawal Account applies: Minimum Amount: \$0

Name of Depository Institution:

Address:

Account Number:

4. Conversion

The *Conversion Date* for each *policy* described in section A above shall be the date _ months after the inception of such *Policy*.

On or shortly after the *Conversion Date* upon the presentation of our invoice, *You* must pay in cash the entire unpaid amount of *Your Payment Obligation* for such *Policies*.

C. Security Plan

1. Collateral

Collateral on Hand (by Type)	Amount of Collateral
Trusts	\$898,445
Total Collateral on Hand	\$ 898,445

Additional Collateral Required (by Type)	Amount of Collateral	Due Date
N/A	\$0	
Total Additional Collateral Required	\$ 0	
Total Collateral Required	\$ 898,445	

2. Financial Covenants, Tests, or Minimum Credit Ratings

We may require additional collateral from *You* in the event of the following:

a. Credit Trigger:

- i. If the credit rating of the entity named below and for the type of debt described below, promulgated by Standard & Poor's Corporation ("S&P") or by Moody's Investors Services, Inc. ("Moody's"), drops to or below the grade shown respectively under S&P or Moody's, or
- ii. If S&P or Moody's withdraws any such rating.

We may require and *You* must deliver such additional collateral according to the Payment Agreement up to an amount such that our unsecured exposure will not exceed the amount shown as the Maximum Unsecured Exposure next to such rating in the grid below.

"Unsecured exposure" is the difference between the total unpaid amount of *Your Payment Obligation* (including any similar obligation incurred before the inception of the Payment Agreement and including any portion of *Your Payment Obligation* that has been deferred and is not yet due) and the total amount of *Your* collateral that we hold.

Name of Entity: Type of Debt Rated:

Ratings at Effective Date		
S&P	Moody's	Unsecured Exposure at Effective Date
Potential Future Ratings		
S&P	Moody's	Maximum Unsecured Exposure
		\$0

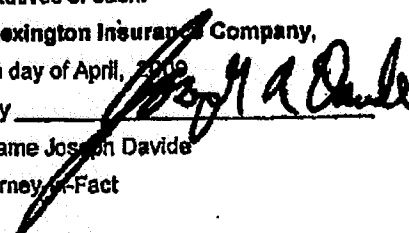
b. Other Financial Tests or Covenants:

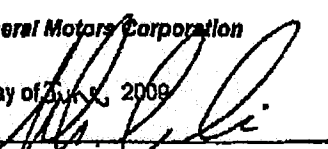
3. Adjustment of Credit Fee

If the amount of unsecured exposure is changed because of *Your* delivery of additional collateral to us due to the requirements under item 2 above, the Credit Fee shall be adjusted on a pro-rata basis from the date of such delivery. Adjustment of the credit fee shall not include an adjustment of any fees associated with your deferred premium payment plan.

SIGNATURES

IN WITNESS WHEREOF, *you* and we have caused this *Schedule* to be executed by the duly authorized representatives of each.

For us, Lexington Insurance Company,
 This 12th day of April, 2009
 Signed by 
 Typed Name Joseph Davide
 Title Attorney-in-Fact

For You: General Motors Corporation
 this 22 day of June, 2009
 Signed by 
 Typed Name Alan G. Gier
 Title Director, Global Risk Financing + Insurance

Mandatory Addendum

to

PAYMENT AGREEMENT

By and between us

Lexington Insurance Company

(Company, "we", "us" or "our")

and **You, our Client**

General Motors Corporation

This Addendum is attached to and forms a part of the Payment Agreement entered into between Company and Client as of the 1st day of April 2009.

1. The section entitled **WHO HAS AGREED TO THIS AGREEMENT?**, is deleted and replaced with the following:

This Agreement is between:

- *You*, the organization(s) named as "our Client" in the *Schedule*, and
- *us*, the insurers set forth above as "Company", "we," "us" and "our" in this Addendum.

2. The section entitled **WHICH WORDS HAVE SPECIAL MEANINGS IN THIS AGREEMENT?**
8. - **Your Payment Obligation**, is deleted and replaced with the following:

"Your Payment Obligation" means the amounts that *You* must pay *us* for the insurance and services in accordance with the terms of the *Policies*, this Agreement, and any similar primary casualty insurance policies and agreements with *us* incurred before the inception date hereof. Such amounts shall include, but are not limited to, any of the following, including any portions thereof not yet due and payable:

- the premiums and premium surcharges, taxes and assessments,
- *Deductible Loss Reimbursements*,
- any amount that we may have paid on *Your* behalf because of any occurrence, accident, offense, claim or suit with respect to which *You* are a self-insurer,
- any other fees, charges, or obligations as shown in the *Schedule* or as may arise as *You* and we may agree from time to time,
- costs and expenses incurred by any third party administrator,
- any penalties or charges incurred as a result of your failure to cooperate in the completion of an actual premium audit.

Loss Reserves: *Your Payment Obligation* includes any portion of the premiums, premium surcharges, *Deductible Loss Reimbursements* or other obligations that we shall have calculated on the basis of our reserves for *Loss* and *ALAE*. Those reserves shall include specific reserves on known *Losses* and *ALAE*, reserves for incurred but not reported *Losses* and *ALAE*, and reserves for statistically expected development on *Losses* and *ALAE* that

have been reported to us. Any Loss development factors we apply in determining such reserves will be based on our actuarial evaluation of relevant statistical data including, to the extent available and credible, statistical data based upon *Your* cumulative Loss and ALAE history.

Taxes, Assessments and Surcharges: The taxes, assessments and surcharges shown on the Schedule are based upon our knowledge of the current law in the states involved. If the law changes, or a rate or assessment changes, or a new surcharge is imposed, or a state reinterprets its law, any additional taxes, assessments and surcharges will become part of *Your Payment Obligation*.

3. The section entitled: **WHAT ELSE SHOULD YOU KNOW ABOUT YOUR PAYMENT OBLIGATION?** is amended to include the following:

We will contract with a Third Party Administrator (TPA) that *You* select for the adjustment of *Your* claims under the Policies provided that we consent to *Your* selection in advance. Our relationship with the TPA will be governed by a Claims Service Agreement (CSA) between us and the TPA, a copy of which will be made available to *You* upon *Your* request. Any TPA *You* select must meet all of our licensing requirements. Should we terminate the CSA at *Your* request or should the TPA no longer meet our service standards, we will enter into a CSA with another TPA. We will exercise good faith consistent with usual and customary commercial practice before we change one TPA to another TPA. Any amounts we pay to any TPA on *Your* behalf shall be considered part of *Your Payment Obligation*, and shall include, but not be limited to the following: cost of adjusting expense at new TPA; costs or losses incurred as a result of claims handling conduct of prior TPA, including fines and penalties; fines and penalties for failure to submit accurate data to regulatory bureaus; data transfer expense; costs to retrieve or recreate information not properly maintained by prior TPA; and costs to set up new escrow account.

4. The section entitled: **WHEN MUST YOU PAY YOUR PAYMENT OBLIGATION?** is amended to include the following:

All payments are due by the due date stated in the *Schedule*, or as respects Additional Payments, within 30 days of the later of the Invoice, Notice or Bill date or *Your* evidenced receipt date of the Invoice, Notice or Bill for each such Additional Payment. If payment is not made when due, interest will accrue on the unpaid balance daily after the due date at the Prime Rate then in effect at Citibank, N.A., NY, NY, plus 150 basis points.

5. The section entitled: **WHAT ABOUT COLLATERAL?** is amended to include the following:

Collateral Exchange:

At our sole discretion we may approve *Your* substitution or exchange of one form or instrument of collateral for another. Any replacement collateral must be in a form and drawn on a bank or insurer acceptable to us. If the original collateral was in the form of cash on which interest was being earned, a substitution may result in a change to the interest rate. We will not approve *Your* substitution or exchange of collateral if *You* are in Default of any of the terms of this Agreement or have triggered any applicable Financial Covenants, Tests or Minimum Credit Ratings shown in the *Schedule*.

- 6. The section entitled: **HOW WILL DISAGREEMENTS BE RESOLVED? ARBITRATION PROCEDURES - How Arbitrators Must Be Chosen**, is deleted and replaced with the following:

How arbitrators must be chosen: You must choose one arbitrator and we must choose another. They will choose the third. If You or we refuse or neglect to appoint an arbitrator within 30 days after written notice from the other party requesting it to do so, or if the two arbitrators fail to agree on a third arbitrator within 30 days of their appointment, either party may make application only to a court of competent jurisdiction in the City, County, and State of New York. Similarly, any action or proceeding concerning arbitrability, including motions to compel or to stay arbitration, may be brought only in a court of competent jurisdiction in the City, County, and State of New York.

- 7. The section entitled: **ARE YOU AUTHORIZED TO MAKE THIS AGREEMENT?** Is amended to include the following:

This Agreement together with the Schedules, Addenda, Policies and any related agreements between You and us, constitute the basis for a program of insurance coverage. We would not have entered into any of them without Your agreement on all of them. For that reason, You should review all such documents together when making any accounting, tax or legal determinations relating to the Insurance program.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their duly authorized representatives.

For Lexington Insurance Company:

In New York, New York,

This 12th day of April, 2009

Signed by _____

Typed Name Joseph Davide

Title Attorney-in-Fact

For You, our Client

General Motors Corporation

In _____

This 22 day of June, 2009

Signed by _____

Typed Name Alan G. Gier

Title Director, Global Risk Finance + Insurance