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15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 FOR THE COUNTY OF LOS ANGELES

17 STEVE POIZNER, Insurance Commissioner) CASE NO. C 572 724
18 of the State of California,)
19) [PROPOSED] VALUATION ORDER
20 Plaintiff,)
21 vs.)
22) DATE: July 25, 2008
23) TIME: 8:30 a.m.
24 MISSION INSURANCE COMPANY, a) DEPT: 50
25 California corporation,)
26) Filed: October 31, 1985
27 Respondent.)
28)

29 Consolidated with Case Numbers:)
30)
31 C 576 324, C 576 416, C 576 323)
32 C 576 325, C 629709)
33)
34)

35 On July 25, 2008, the Court heard the Motion to Approve Final Valuations of Latent
36 Deficiency Claims Against Mission Insurance Company Trust and Allocation of Shares of Covanta

1 Holding Corporation Pursuant to the Rehabilitation Plan Implementation Agreement. The Court
2 finds that appropriate and timely notice was given to all interested parties as to the motion. Based on
3 the evidence presented, the Court finds that the individual claim amounts and claimants set forth on
4 Exhibit C to the Declaration of Richard McNamee are the final, determined and fixed amounts of
5 each individual Deficiency Claim, including Latent Deficiency Claims, as described in paragraph 31
6 of the Rehabilitation Plan Implementation Agreement against the Mission Insurance Company Trust
7 and that the Latent Deficiency Claims against the Mission Insurance Company Trust total
8 \$923,419,693 in the aggregate. These Deficiency Claims, including Latent Deficiency Claims,
9 individually and in the aggregate, are valid indebtedness from direct insurance and reinsurance
10 contracts entered into by Mission Insurance Company and which are owed under California law
11 pursuant to the Agreement of Reorganization, Rehabilitation and Restructuring and the
12 Rehabilitation Plan Implementation Agreement, each as previously agreed upon and approved by
13 this Court.

14 The Court approves the final allocation of Covanta Holding Corporation common stock
15 previously issued and held on behalf of such claimants by the California Insurance Commissioner
16 pursuant to the Agreement of Reorganization, Rehabilitation, and Restructuring to holders of
17 Deficiency Claims, including Latent Deficiency Claims, against Mission Insurance Company Trust,
18 as set forth in the share distribution schedule set forth in Exhibit C to the Declaration of Richard
19 McNamee and orders that the shares of Covanta Holding Corporation stock be distributed to each
20 holder of a Deficiency Claim in accordance with Exhibit C to the Declaration of Richard McNamee.
21 The Court finds that this distribution of shares of Covanta Holding Corporation stock to holders of
22 Deficiency Claims, including Latent Deficiency Claims, is consistent with the proportionality
23 requirements of Internal Revenue Code former section 108(e)(8)(B). The Court further finds that
24 such distribution of shares of Covanta Holding Corporation stock to holders of Deficiency Claims,
25 including Latent Deficiency Claims, shall be in full satisfaction of the valid indebtedness from
26 direct insurance and reinsurance contracts of Mission Insurance Company constituted by such
27 Deficiency Claims, including Latent Deficiency Claims, and is consistent with the requirements of
28 section 108 of the Internal Revenue Code, as in effect on the date of and forming the basis for the

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
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1990 Agreement of Reorganization, Rehabilitation, and Restructuring, as continuously applicable from the date thereof to the date of this Order.

The Insurance Commissioner is further authorized to take such steps as he deems appropriate and necessary to implement the terms of these valuation and share distribution procedures.

JUDGE OF THE SUPERIOR COURT

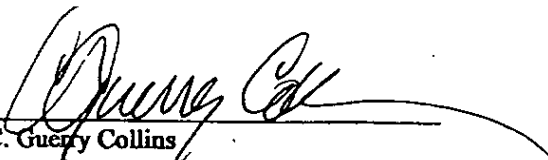
Respectfully submitted,


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Respectfully submitted,

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