IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	**Chapter 11**
	)	
Conseco Finance Corp., et al.,	)	
Debtors.	)	**Case No. 02 B49675**
	)	**Honorable Carol A. Doyle**
	)	**(Jointly Administered)**
	)	

STIPULATION AND AGREED ORDER BETWEEN
THE CFC ESTATE AND ARIC WATTS AND ROBERT WALLING
DISALLOWING PROOF OF CLAIM NO. 49676-000157

The Post Consummation Estate for the Finance Company Debtors ("CFC Estate") and Aric Watts and Robert Walling ("Claimants") hereby stipulate and agree as follows:

RECITALS

WHEREAS, on February 20, 2003, the Claimants filed an unsecured nonpriority proof of claim against Conseco Finance Servicing Corp. ("Debtor") in the amount of $52,382.13 designated on the claims register as Claim No. 49676-000157 (the "Claim");

WHEREAS, on May 28, 2003, the Finance Company Debtors filed the *Finance Company Debtors' Second Omnibus Objection To Claims Asserted Against the Finance Company Debtors* (the "Second Omnibus Objection") objecting to the Claim and seeking disallowance of the Claim on the basis that the there was no liability for the Claim;

WHEREAS, Claimants failed to file a response to the Second Omnibus Objection and, on June 30, 2003, as part of the hearing on the Second Omnibus Objection, the Court entered the *Order Granting the Relief Sought in the Finance Company Debtors' Second Omnibus Objection to Claims Asserted Against the Finance Company Debtors* and disallowed the Claim in its entirety.

WHEREAS, on July 18, 2003, Claimants filed *Watts/Walling's Motion to Reconsider* (the "Motion to Reconsider") requesting that: (1) the Court reconsider the Second Omnibus Order to the extent that it disallowed the Claim and (2) Claimants be permitted to file a late

response to the Second Omnibus Objection.

WHEREAS, on August 18, 2003, the Finance Company Debtors filed *Finance Company Debtors' Objection to Motion to Reconsider in Opposition to Debtors' Second Omnibus Objection* (the "Objection to Reconsideration").

WHEREAS, Green Tree Servicing LLC ("Green Tree") may have an interest relating to the Lawsuit as a result of a sale of assets by the Finance Company Debtors pursuant to *Order Approving and Authorizing (I) Asset Purchase Agreement with CFN Investment Holdings LLC (II) Sale of Certain of the CFC Debtors Assets Free and Clear of Liens, Claims and Encumbrances (III) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Certain Related Relief* (docket 1985);

WHEREAS, the Claimants and the CFC Estate wish to resolve their differences with respect to the Claim and the Lawsuit without further legal proceedings or expense; and

WHEREAS, the Claimants and the CFC Estate have reached an amicable resolution memorialized herein; and it appearing that due and sufficient notice having been given; and after due deliberation and good cause appearing for the entry of this Stipulation; and based upon the foregoing recitals and in consideration of the mutual covenants set forth below, the parties agree as follows:

IT IS HEREBY STIPULATED AND AGREED, BY AND BETWEEN THE UNDERSIGNED PARTIES:

1. Proof of Claim No. 49676-000157 shall be disallowed for all purposes.

2. Claimants, on behalf of himself/herself and his/her heirs, executor, attorneys, administrators, successors and assigns, hereby unconditionally fully releases and forever discharges the CFC Estate and its respective predecessors, successors and assignees, and each of its respective affiliates, subsidiaries, officers, directors, partners, members, employees, agents and attorneys, past and present, from any and all claims (including, as defined in section 101(5) of the United States Bankruptcy Code (the "Bankruptcy Code")), demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs,

expenses, damages, judgments, orders and liabilities of whatever kind or nature, in law or equity, by statute or otherwise, whether now known or unknown, vested or contingent, liquidated or unliquidated, suspected or unsuspected, and whether or not concealed or hidden, which have existed or may have ever existed, or which do or may exist, arising from or related to the Claim or the Lawsuit, other than claims based on a breach of this Stipulation.

3. The CFC Estate on behalf of itself and its respective predecessors, successors and assignees, and each of their respective affiliates, subsidiaries, officers, directors, partners, members, employees, agents and attorneys, past and present, hereby unconditionally fully releases and forever discharges Claimants and his/her heirs, executor, attorneys, administrators, successors and assigns from any and all claims (including, as defined in section 101(5) of title 11 of the United States Code), demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities of whatever kind or nature, in law or equity, by statute or otherwise, whether now known or unknown, vested or contingent, liquidated or unliquidated, suspected or unsuspected, and whether or not concealed or hidden, which have existed or may have ever existed, or which do or may exist, arising from or relating to the Claim or the Lawsuit, other than claims based on a breach of this Stipulation.

4. The CFC Estate agrees to use its best efforts to provide Green Tree Servicing LLC ("Green Tree") with information regarding the Claim and the Lawsuit as may assist Green Tree in notifying the major credit reporting agencies that all obligations of Claimants to Conseco Finance Servicing Corp. and the CFC Estate have been satisfied in full.

5. This Stipulation shall be contingent upon execution by Claimants and Green Tree of the Release and Discharge Agreement attached hereto as Exhibit A.

6. This Stipulation resolves the Claim and any other claims related in any way to any remaining claims of any kind by the Claimants against the CFC Estate.

7. This Stipulation may be executed in counterparts and by facsimile, and all such counterparts shall constitute one Stipulation.

8. This Stipulation shall inure to the benefit of, and be binding upon, the parties hereto and their successors and assigns.

9. This Stipulation constitutes the entire agreement between the parties with respect to the subject matter hereof. No prior or contemporaneous agreement may be used to alter the terms of the Stipulation.

10. This Stipulation may be modified only in a writing signed by the party to be charged with such modification.

11. The signatories to this Stipulation represent and warrant that they have been duly authorized to execute this Stipulation.

12. This Stipulation is subject to the approval of the Bankruptcy Court. The parties agree to use reasonable commercial efforts to obtain the approval of the Bankruptcy Court as quickly as possible.

13. In the event the Bankruptcy Court declines to approve this Stipulation, neither this Stipulation nor any part thereof may be used by any party for any purpose, except to enforce this provision.

Chicago, Illinois

Dated: February 18, 2004

KIRKLAND & ELLIS LLP

James H.M. Sprayregen, P.C. (ARDC No. 6190206)
Anup Sathy (ARDC No. 6230191)
Roger J. Higgins (ARDC No. 6257915)
Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601-6636
(312) 861-2000 (telephone)
(312) 861-2200 (facsimile)

Counsel for the CFC Estate

Signatures continued on next page...

Grand Blanc, Michigan
Dated: 2-17, 2004

ATTORNEY DENNIS H. SNYDER, P.C.

By: Terina M. Carte (P 54231)
Admitted Pro Hac Vice
Attorney Dennis H. Snyder, P.C.
10751 South Saginaw Street, Suite S
Grand Blanc, MI 48439
Tel. (810) 695-0090 Fax. (810) 695-1084

Attorneys for and on behalf of Watts/Walling

SO ORDERED:

Carol A. Doyle

Hon. Carol A. Doyle
United States Bankruptcy Judge

Chicago, Illinois
Dated: Feb 18, 2004

RELEASE AND DISCHARGE AGREEMENT

This Release And Discharge Agreement (the "Agreement") is made between Aric Watts and Robert Walling (the "Claimants") and Green Tree Servicing LLC ("Green Tree") effective as of February 18, 2004.

In consideration of the mutual desire to resolve all matters arising from or relating to the proof of claim designated on the CFC Estate claims register as Claim No. 49676-000157 (the "Claim"), filed by Claimants against Conseco Finance Servicing Corp. on or about February 20, 2003 in the substantively consolidated chapter 11 case of *In re Conseco Finance Corp., et al.*, pending in the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court"), Case No. 02-49675, and for other good and valuable consideration the sufficiency of which is hereby acknowledged, the Claimants and Green Tree hereby agree as follows:

The parties hereby understand and agree that the acts done and evidence hereby, and the releases granted hereunder, are done and granted to avoid further costs associated with the Claim, and are not an admission of any liability on the part of any of the parties hereto.

Claimants, on behalf of himself/herself and his/her heirs, executor, attorneys, administrators, successors and assigns, hereby unconditionally fully releases and forever discharges Green Tree and its respective predecessors, successors and assignees, and each of its respective affiliates, subsidiaries, officers, directors, partners, members, employees, agents and attorneys, past and present, from any and all claims (including, as defined in section 101(5) of the United States Bankruptcy Code (the "Bankruptcy Code")), demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities of whatever kind or nature, in law or equity, by statute or otherwise, whether now known or unknown, vested or contingent, liquidated or unliquidated, suspected or unsuspected, and whether or not concealed or hidden, which have existed or may have ever existed, or which do or may exist, arising from or related to the Claim and/or the issuance by Green Tree of any Internal Revenue Service ("IRS") Form 1099C in the name of Claimants for the amount of the disputed indebtedness regarding the Claim, other than claims based on a breach of this Agreement.

Green Tree on behalf of itself and its respective predecessors, successors and assignees, and each of their respective affiliates, subsidiaries, officers, directors, partners, members, employees, agents and attorneys, past and present, hereby unconditionally fully releases and forever discharges Claimants and his/her heirs, executor, attorneys, administrators, successors and assigns from any and all claims (including, as defined in section 101(5) of title 11 of the United States Code), demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities of whatever kind or nature, in law or equity, by statute or otherwise, whether now known or unknown, vested or contingent, liquidated or unliquidated, suspected or unsuspected, and whether or not concealed or hidden, which have existed or may have ever existed, or which do or may exist, arising from or relating to the Claim, other than claims based on a breach of this Agreement.

Green Tree (1) acknowledges that Claimants do not believe the Claim and/or this

Agreement give rise to taxable income; (2) acknowledges that this settlement involves, in part, a disputed indebtedness; and (3) expresses no opinion whatsoever on whether or not this Agreement gives rise to taxable income. Claimants acknowledge that (1) Green Tree believes it has reporting requirements to the IRS arising from or relating to the Claim and/or this Agreement; and (2) Green Tree will issue to the IRS an IRS Form 1099C in the name of Claimants for the amount of the disputed indebtedness arising from or relating to the Claim.

Green Tree agrees to: (1) notify, within thirty (30) days of the effective date of this Agreement, the credit bureaus to which it has reported credit information regarding Claimants that all credit references to Claimants relating to Green Tree and its predecessor in interest Conseco Finance Corp. and/or Conseco Finance Servicing Corp. should be deleted; and (2) provide Claimant, within fourteen (14) days of the notification to the credit bureaus as provided in this paragraph, with an executed version of Appendix 1 hereto. Green Tree shall have no other obligation to Claimants except as expressly stated herein.

Grand Blanc, Michigan

Dated: 2-17, 2004

ATTORNEY DENNIS H. SNYDER, P.C.

By: Terina M. Carte (P 54231)
Admitted Pro Hac Vice
Attorney Dennis H. Snyder, P.C.
10751 South Saginaw Street, Suite S
Grand Blanc, MI 48439
Tel. (810) 695-0090 Fax. (810) 695-1084

Attorneys for and on behalf of Watts/Walling

St. Paul, Minnesota

Dated: _____, 2004

GREEN TREE SERVICING LLC

By: Bryan Corey
345 St. Peter St., 1100 Landmark Towers
Saint Paul, MN 55102
Tel. (800) 423-9527

On behalf of Green Tree Servicing LLC

APPENDIX 1 TO RELEASE AND DISCHARGE AGREEMENT

[Date]

[Creditor]

Dear [Creditor]:

On or about [date of request], as a result of the Release and Discharge Agreement between [Creditor] and Green Tree Servicing LLC ("Green Tree"), Green Tree requested [credit bureau name(s)] delete all credit references to [Creditor] regarding Green Tree and its predecessor in interest Conseco Finance Corp. and/or Conseco Finance Servicing Corp. This letter confirms that all credit references to [Creditor] regarding Green Tree and its predecessor in interest Conseco Finance Corp. and/or Conseco Finance Servicing Corp. should be deleted in the entirety.

Sincerely,

GREEN TREE SERVICING LLC

cc: Counsel for [Creditor]