

**“Loan Documents”**: this Agreement, the Security Documents, the Promissory Notes and any amendment, waiver, supplement or other modification to any of the foregoing.

**“Loan Proceeds Account”**: as defined in the Security Agreement.

**“Loans”**: the collective reference to the Senior Loans and the Subordinated Loans.

**“Managing Member”**: as defined in the LLC Agreement. The Managing Member on the Closing Date is Federal Reserve Bank of New York.

**“Material Adverse Effect”**: a material adverse effect on the Borrower and its assets or upon the rights and remedies of either of the Lenders under the Transaction Documents.

**“Maturity Date”**: the tenth anniversary of the Closing Date; *provided*, that the date by which final repayment of the Senior Loans and the Subordinated Loans must occur may be extended by the Controlling Party with the consent of the Subordinated Lender in accordance with the provisos to Sections 2.04(b) and 2.04(c).

**“Membership Interest”**: the limited liability company membership interest in the Borrower.

**“MLSA”**: that certain Master Loan and Security Agreement by and among Federal Reserve Bank of New York, as lender, The Bank of New York Mellon, as administrator and custodian, and the other financial institutions party thereto, in connection with Federal Reserve Bank of New York’s Term Asset-Backed Securities Loan Facility.

**“Obligations”**: collectively, (i) the unpaid principal of and interest (including Contingent Interest, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or Post-Petition Amount is allowed in such proceeding) on the Loans and (ii) all other obligations and liabilities of the Borrower to the Lenders, the Controlling Party, the Collateral Agent, the Administrator and the Investment Manager, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Transaction Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Lenders, the Controlling Party, the Collateral Agent, the Administrator and the Investment Manager) that are required to be paid by the Borrower pursuant hereto or pursuant to the other Transaction Documents or otherwise.

**“Payment Calculation Report”**: as defined in the Security Agreement.

**“Payment Date”**: the fourth Business Day of each calendar month, or such other day as may be specified by the Controlling Party or its designee, pursuant to a Proper Instruction; *provided* that unless the Subordinated Lender shall otherwise consent, there shall be a single Payment Date in each calendar month.

**“Payment Determination Date”**: the third Business Day prior to each Payment Date.

**“PBGC”**: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

**“Permitted Liens”**: (i) customary rights of setoff and similar Liens in favor of depository institutions, (ii) Liens imposed by law for taxes that are not yet due or that are being contested in good faith by appropriate proceedings, (iii) other Liens arising by operation of law, and (iv) other Liens granted by the Borrower at the written instruction of the Controlling Party with the consent of the Subordinated Lender.

**“Person”**: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

**“Plan”**: any employee benefit plan as defined in Section 3(3) of ERISA, including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan.

**“Post-Petition Amount”** means any interest or amount that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of the Borrower (or would accrue but for the operation of applicable bankruptcy or insolvency laws), whether or not such interest or amount is allowed or allowable as a claim in any such proceeding.

**“Proceeds”**: as defined in the Security Agreement.

**“Promissory Note”**: as defined in Section 2.07 hereof.

**“Proper Instruction”**: as defined in the Security Agreement.

**“Purchase”**: as defined in the Put Option Agreement.

**“Put Option Agreement”**: the Put Option Agreement to be entered into by the Borrower, as Buyer, and Federal Reserve Bank of New York, as Seller, substantially in the form of Exhibit E.

**“Regulation U”:** Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

**“Related Parties”:** with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents, advisors, and controlling persons of such Person and such Person’s Affiliates.

**“Representatives”:** as defined in Section 9.14.

**“Requirement of Law”:** as to any Person, the organizational or governing documents of such Person (including, with respect to the Borrower, the LLC Agreement), and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

**“Responsible Officer”:** with respect to the Administrator, means any officer of the Administrator with direct responsibility for the administration of the transactions and agreements contemplated by this Agreement and the other Transaction Documents and the Collateral.

**“Secured Parties”:** as defined in the Security Agreement.

**“Security Agreement”:** the Security and Intercreditor Agreement to be entered into by the Borrower, the Collateral Agent, the Lenders and the Controlling Party, substantially in the form of Exhibit C.

**“Security Documents”:** the collective reference to the Security Agreement, the Collateral Account Control Agreement and all other security documents hereafter delivered to the Collateral Agent granting a Lien on any property of the Borrower to secure the Obligations.

**“Senior Lender”:** Federal Reserve Bank of New York, and any assignee thereof permitted pursuant to Section 9.06.

**“Senior Loan”:** as defined in Section 2.01.

**“Senior Loan Availability Period”:** the period from and including the Senior Loan Commitment Availability Date to but excluding the earliest of (i) the Maturity Date, (ii) the TALF Termination Date and (iii) the date of termination of the Senior Loan Commitment pursuant to Article 8; *provided* that the Controlling Party may extend the Senior Loan Availability Period from time to time with the consent of the Subordinated Lender.

**“Senior Loan Commitment”:** the obligation of the Senior Lender to make Senior Loans to the Borrower in an aggregate principal amount not to exceed \$180,000,000,000.

**“Senior Loan Commitment Availability Date”**: the date on which the aggregate initial principal amount of Subordinated Loans made by the Subordinated Lender (excluding any Contingent Interest) equals \$20,000,000,000.

**“Senior Obligations”**: the unpaid principal of and interest on (including interest accruing after the maturity of the Senior Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or Post-Petition Amount is allowed in such proceeding) the Senior Loans and all other obligations and liabilities of the Borrower to the Senior Lender (other than Contingent Interest).

**“Senior Obligations Payoff Date”**: the first date on which (x) all Senior Obligations have been paid in full and (y) (i) the TALF Termination Date has occurred or (ii) the Available Senior Loan Commitment is equal to zero.

**“Subordinated Lender”**: United States Department of the Treasury, or any assignee thereof permitted pursuant to Section 9.06.

**“Subordinated Loan”**: as defined in Section 2.01.

**“Subordinated Loan Availability Period”**: the period from and including the Closing Date to but excluding the earliest of (i) the Maturity Date, (ii) the TALF Termination Date and (iii) the date of termination of the Subordinated Loan Commitment pursuant to Article 8; *provided* that the Subordinated Loan Availability Period may be extended with the consent of the Subordinated Lender; *provided further* that the Subordinated Loan Availability Period shall not extend past the earliest of (x) the expiry of the Senior Loan Availability Period, (y) the Maturity Date and (z) the date of termination of the Subordinated Loan Commitment pursuant to Article 8.

**“Subordinated Loan Commitment”**: the obligation of the Subordinated Lender to make Subordinated Loans to the Borrower in an aggregate principal amount not to exceed \$20,000,000,000.

**“Subsidiary”**: as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity that are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

**“TALF Loans”**: the loans made by Federal Reserve Bank of New York pursuant to the MLSA.

**“TALF Termination Date”** means January 31, 2013 or such later date as designated by the Controlling Party with the consent of the Subordinated Lender.

**“Transaction Documents”** the Loan Documents, the Put Option Agreement, the Administration Agreement, the Fee Letter, the Investment Manager Agreement, the LLC Agreement and each other servicing and custodial agreement, in each case in effect from time to time with the Borrower as a party thereto in respect of the transactions contemplated by the foregoing documents, all schedules, exhibits and annexes thereto, all side letters and agreements affecting the terms thereof or entered into in connection therewith, all assignments and other instruments or documents entered into in connection with the foregoing and any amendment, waiver, supplement or other modification to any of the foregoing.

**“United States”**: the United States of America.

**“Waterfall”**: the order of payments set forth in Section 5(b) of the Security Agreement.

Section 1.02. *Other Definitional Provisions.*

(a) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms shall have the respective meanings given to them under GAAP, (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (iii) the word “incur” shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words “incurred” and “incurrence” shall have correlative meanings), (iv)) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time, or any successor or replacement agreement which may be entered into from time to time, subject in each case to any applicable limitations specified herein or therein.

(b) The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

Section 1.03. *Consent Rights of Subordinated Lender.* If at any time the United States Department of the Treasury is the Controlling Party, all consent rights reserved to

the Subordinated Lender in this Agreement at such time shall instead be exercisable by the Senior Lender.

## ARTICLE 2

### AMOUNT AND TERMS OF COMMITMENTS

Section 2.01. *Commitments.* Subject to the terms and conditions hereof, (a) the Senior Lender agrees to make term loans to the Borrower in Dollars from time to time during the Senior Loan Availability Period in an aggregate principal amount not to exceed the Senior Loan Commitment (each such loan, a “**Senior Loan**”) and (b) the Subordinated Lender agrees to make (i) a term loan to the Borrower on the Closing Date in the principal amount of \$100,000,000 and (ii) additional term loans to the Borrower in Dollars during the Subordinated Loan Availability Period in an aggregate principal amount, when combined with the principal amount of the term loan made on the Closing Date pursuant to the preceding clause (i), not to exceed the Subordinated Loan Commitment (each of the loans described in the preceding clauses (i) and (ii), a “**Subordinated Loan**”).

Section 2.02. *Requests for Loans.* To request a Loan, the Borrower shall notify the applicable Lender of such request by telephone not later than 11:00 a.m., New York City time, one Business Day before the date of the proposed borrowing. Each such telephonic Borrowing Request shall be confirmed promptly in writing via delivery of a Borrowing Request. Each such telephonic and written request for a Loan shall specify the following information:

- (i) the aggregate amount of such Loan (which in the case of the Subordinated Loan to be borrowed on the Closing Date, shall be \$100,000,000;
- (ii) the date such Loan will be borrowed, which shall be a Business Day (*provided*, that not more than one Subordinated Loan may be borrowed on any Business Day); and
- (iii) the location and number of the account to which funds are to be disbursed.

Section 2.03. *Funding of Loans.* (a) Each applicable Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds in Dollars by 2:00 p.m., New York City time, to the account specified by the Borrower.

(b) Each Lender and the Controlling Party may maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to such Lender resulting from the Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder; *provided* that the failure of any Lender to maintain such accounts or any error therein

shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement and the Security Agreement.

Section 2.04. *Repayment of Loans; Termination of Agreement.* (a) The Borrower shall make payments on account of the principal of the Loans on the dates and in the amounts required by the Waterfall. Amounts paid on account of the principal of the Loans may not be reborrowed.

(b) The Borrower, so long as funds are available in accordance with the Waterfall, shall repay the remaining outstanding principal amount of the Senior Loans, together with all accrued and unpaid interest (other than Contingent Interest) and other amounts due thereon, on the Maturity Date, and pursuant to the requirements of the Waterfall (and solely to the extent funds are available in accordance with the Waterfall), the Borrower shall prepay the outstanding principal amount of the Senior Loans from time to time prior to the Maturity Date; *provided* that the Controlling Party may, with the consent of the Subordinated Lender, at any time and from time to time and notwithstanding the provisions of Section 9.01, extend the date of final repayment of the Senior Loans to any later date.

(c) The Borrower, so long as funds are available in accordance with the Waterfall, shall repay the remaining outstanding principal amount of the Subordinated Loans, together with all accrued and unpaid interest and other amounts due thereon (other than Contingent Interest), on the Maturity Date, and pursuant to the requirements of the Waterfall (and solely to the extent funds are available in accordance with the Waterfall), the Borrower shall prepay the outstanding principal amount of the Subordinated Loans from time to time prior to the Maturity Date; *provided* that the Controlling Party may, with the consent of the Subordinated Lender, at any time and from time to time, extend the date of final repayment of the Subordinated Loans to any later date.

(d) Notwithstanding the foregoing and regardless of whether or not any Obligations remain outstanding, all Obligations then due and owing shall be terminated and extinguished on the first date on which (x) (i) no Lender has any remaining commitment to make any Loans or (ii) the TALF Termination Date has occurred and (y) all Collateral has been fully liquidated and Disposed of and all proceeds thereof, including all amounts on deposit in the Collateral Account, have been distributed in accordance with the Waterfall (it being understood that for this purpose the Collateral shall be deemed to not have been fully liquidated unless and until all claims pursuant to Related Recourse Rights (as defined in the Put Option Agreement) which in the reasonable judgment of either Lender merit prosecution shall have been prosecuted to final resolution).

Section 2.05. *Interest Rates and Payment Dates.* (a) The Senior Loans shall bear interest at a rate per annum equal to LIBOR plus 1.0%. The Subordinated Loans shall bear interest at a rate per annum equal to LIBOR plus 3.0%.

(b) The Senior Loans and the Subordinated Loans shall also be entitled to additional contingent interest in amounts equal to any proceeds of the Collateral that are available for distribution pursuant to clause ninth of the Waterfall (“**Contingent Interest**”).

(c) Interest (other than Contingent Interest) shall accrue on a daily basis during each Interest Period on the outstanding principal amount of each Loan at the rate set forth in Section 2.05(a) for such Interest Period, until the outstanding principal amount of each Loan together with all accrued and unpaid interest (other than Contingent Interest) is paid in full. Interest will be payable on the dates and in the amounts required by the Waterfall.

(d) Accrued but unpaid interest on each Loan shall continue to accrue interest at the interest rate applicable to such Loan, and shall be compounded on a quarterly basis.

Section 2.06. *Computation of Interest.* (a) Interest (other than Contingent Interest) payable pursuant hereto shall be calculated by the Collateral Agent on the basis of a 365-day year for the actual days elapsed. Any change in the interest rate on a Loan resulting from a change in LIBOR shall become effective as of the opening of business on the day on which such change becomes effective. The Collateral Agent shall, as part of each Payment Calculation Report, notify the Borrower, the Collateral Agent, the Investment Manager, the Lenders and the Controlling Party of the amount of interest accrued on the outstanding principal amount of each Loan during the preceding month and remaining unpaid immediately prior to each Payment Date.

(b) Each determination of the interest rate and each calculation of the amount of accrued interest, in each case by the Collateral Agent pursuant to any provision of this Agreement, shall be conclusive and binding on the Borrower, the Lenders and the Controlling Party in the absence of manifest error.

(c) All payments to be made by the Borrower in respect of the Loans shall be made in such amounts, without set-off or counterclaim, as may be necessary in order that every such payment (after deduction or withholding for or on account of any present or future taxes, levies, imposts, duties or other charges of whatever nature imposed by the jurisdiction in which the Borrower is organized or any political subdivision or taxing authority therein or thereof) shall not, as a result of any such deductions or withholdings, be less than the amounts otherwise specified to be paid under this Agreement. All payments under the Loans will be made by the Borrower without any deduction or withholding for or on account of any tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect.

Section 2.07. *Promissory Notes.* Any Lender may request that Loans made by it hereunder, or the Contingent Interest due to it hereunder, be evidenced by a promissory note. In such event, the Borrower shall execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in form and substance reasonably acceptable to such Lender (each, a “**Promissory Note**”).



### ARTICLE 3 PAYMENTS

Section 3.01. *Payments Generally.* Notwithstanding anything to the contrary contained in this Agreement or in any other Transaction Document, the Borrower shall not make any payments on account of principal, interest, Contingent Interest, fees or otherwise in respect of the Loans other than in accordance with the Waterfall.

Section 3.02. *Application of Proceeds.* All amounts available in the Collateral Account (other than amounts available in the Loan Proceeds Account) as of each Payment Determination Date shall be distributed by the Collateral Agent on the first following Payment Date in accordance with a Payment Calculation Report delivered to, and approved by, the Controlling Party in accordance with the Administration Agreement prior to such Payment Date, in accordance with the Waterfall.

### ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Section 4.01. *Representations and Warranties of the Borrower.* The Borrower hereby represents and warrants to the Lenders, as of the Closing Date and the date of each Loan, that:

(a) *Existence; Compliance with Law.* The Borrower (i) is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) has the power and authority, and the legal right, to own its assets and to transact the activities in which it is permitted to engage, (iii) is duly qualified as a foreign organization and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business and the performance of its obligations made such qualification necessary and (iv) is in compliance in all material respects with all Requirements of Law.

(b) *Power; Authorization; Enforceable Obligations.* The Borrower has the power and authority, and the legal right, to make, deliver and perform the Transaction Documents to which it is, or will become, a party and to borrow the Loans hereunder. The Borrower has taken all necessary organizational action to authorize the execution, delivery and performance of the Transaction Documents to which it is, or will become, a party and to authorize the borrowings of the Loans on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the transactions contemplated under the Transaction Documents and the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Transaction Documents to which the Borrower is, or will become, a party, except (i) consents, authorizations, filings and notices as have been obtained or made and are in full force and effect and (ii) the filings referred to in the Security Documents. Each Transaction Document to which the Borrower is, or will

become, a party has been duly executed and delivered on behalf of the Borrower. This Agreement constitutes, and each other Transaction Document to which the Borrower is, or will become, a party, upon execution, will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(c) *No Legal Bar.* The execution, delivery and performance of this Agreement and the other Transaction Documents to which the Borrower is, or will become, a party, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of the Borrower and will not result in, or require the creation or imposition of any Lien on any of its properties, assets or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents).

(d) *Litigation.* As of the Closing Date, no litigation, investigation or proceeding of, or before, any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or against any of its properties, assets or revenues.

(e) *No Defaults.* No Actionable Default has occurred and is continuing. No other Default known to the Borrower has occurred and is continuing except any such Default as to which the Borrower shall have notified the Lenders pursuant to Section 6.06(a).

(f) *Federal Regulations.* No part of the proceeds of the Loans will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect for any purpose that violates the provisions of the Regulations of the Board of Governors of the Federal Reserve System.

(g) *ERISA.* The Borrower neither maintains, participates in, or is otherwise deemed an "employer" (as defined in Section 3(5) of ERISA) with respect to, any Plans, and neither the Borrower nor any ERISA Affiliate has any liability to the PBGC under ERISA.

(h) *Investment Company Act.* The Borrower is not required to be registered as an "investment company" under the Investment Company Act of 1940, as amended.

(i) *Subsidiaries.* The Borrower has no Subsidiaries.

(j) *Use of Proceeds.* The proceeds of the Loans shall be used solely for the purpose of financing the acquisition of assets (including by assignment) pursuant to the Put Option Agreement; *provided that* (x) proceeds of Loans shall be held in the Loan