

ADVISORY SERVICES AGREEMENT

This ADVISORY SERVICES AGREEMENT (the "Agreement") is made as of the 14th day of December, 2008 ("Effective Date") between BlackRock Financial Management, Inc. ("BlackRock") and the Federal Reserve Bank of New York ("Client"). WHEREAS, Client wishes to engage BlackRock to provide estimated valuations and related services for one or more portfolios of assets, including securities and loans (the "Assets"), held by Citigroup Inc., or its subsidiaries ("Citigroup"), in connection with certain measures announced by Client with respect to Citigroup on November 23, 2008; NOW, THEREFORE, the parties hereby agree as follows:

1. Scope and Delivery of Services. (a) BlackRock, led by its Financial Markets Advisory group in accordance with this Agreement, will perform the services described in Schedule A hereto ("Services"), which include any reports to be provided by BlackRock as part of the Services. The Services will be rendered in a professional and workmanlike manner and with reasonable care using a degree of skill and attention no less than that which BlackRock exercises with respect to comparable advisory assignments for its other clients.

(b) Client acknowledges that the Services are dependent on information and data provided by or on behalf of Client and/or Citigroup to BlackRock (the "Client Data"), including, without limitation, any required Client Data set forth in Schedule A.

(c) Except as permitted below in this Section 1(c), the Services shall be provided by BlackRock solely for Client's internal use. Except as expressly permitted by this Agreement, Client shall not (i) sell, lease, sublicense or provide any of the Services or information produced by BlackRock in connection with the Services to any third party, or (ii) reverse engineer or otherwise

use the Services in any way to develop, test, enhance or otherwise calibrate, on behalf of itself or any third party, any systems or services that are similar to any of the components of the Services. Notwithstanding the foregoing, Client shall be permitted to share information, including but not limited to the reports, provided by BlackRock on a need to know basis with: (i) its officers, employees, Board of Directors and auditors; (ii) the United States Department of Treasury and the Federal Deposit Insurance Corporation (the "USG parties"), (iii) the Board of Governors of the Federal Reserve System; (iv) PricewaterhouseCoopers in its capacity as an advisor to Client, subject to its execution of a non-reliance agreement with BlackRock; and (v) any other party with the prior written consent of BlackRock.

2. Representations by Client. Client represents and warrants that (a) the execution, delivery, and performance of this Agreement have been duly authorized and shall not conflict with any obligation of Client, (b) this Agreement constitutes a valid and binding obligation of Client, (c) Client has all rights necessary to provide the Client Data to BlackRock for the uses set forth herein, and (d) Client shall comply with all applicable laws, rules, and regulations in its receipt and use of the Services.

3. Representations by BlackRock. BlackRock represents and warrants that (a) the execution, delivery, and performance of this Agreement have been duly authorized and shall not conflict with any obligation of BlackRock, (b) this Agreement constitutes a valid and binding obligation of BlackRock, (c) BlackRock has all rights necessary to provide the Services contemplated herein, and (d) BlackRock shall comply with all applicable laws, rules, regulations in its provision of the Services. In addition, BlackRock represents that it is not currently subject to any public or, to its knowledge, any non-public

investigations, pending or existing enforcement actions, or insolvency proceedings. For the avoidance of doubt, routine or sweep regulatory examinations do not constitute investigations. Unless prohibited by law or negotiation, BlackRock shall immediately notify Client if it becomes aware of any such investigations, actions or proceedings during the term of this Agreement. BLACKROCK HEREBY DISCLAIMS ANY OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4 Risk Considerations and Acknowledgments. Client understands that estimated valuation and risk measurement analyses rely on certain assumptions and judgments, such as with respect to movement in and volatility of interest rates and spreads, and relative risks and the relationship between risk factors (such as the relationship of mortgage prepayments to interest rates) These analyses, models, and methodologies are generally based on observations of past market behavior that may not hold true in the future. Such assumptions may not cover all aspects of, or risks inherent in, the portfolios at issue. Client understands that the estimated valuation and risk analyses are also dependent on the integrity of the security data to which access is provided by Client (as part of the Client Data), as well as economic data used in the analyses. BlackRock will use its best judgment and practices to model the portfolios using the Client Data, third party data, and other available sources. BlackRock will depend solely on Client Data with respect to the Assets for its analyses. While BlackRock's analyses performed to create the reports are based on information BlackRock in good faith deems to be reliable, BlackRock in no case guarantees their accuracy or completeness. Client acknowledges that significant professional disagreement exists regarding the accuracy and validity of these types of analyses and methodologies, and

that there is no assurance that the analyses and methodologies used by BlackRock or provided by BlackRock are or will be appropriate for Client or the Assets. Client further acknowledges that not all Assets covered by the Services may lend themselves to estimated valuation measures or explicit analytically derived risk measures and that BlackRock may not have procedures, methods, or models appropriate for valuation or risk analyses of certain types of Assets. BlackRock will consult with Client's designated representative in such cases to determine the appropriate methodology for analysis of these Assets for the Services. In the absence of input from Client in such instances, BlackRock will use its judgment to analyze the Assets.

Client acknowledges and agrees, subject to BlackRock's obligations in Section 6 below that (a) BlackRock's sole responsibility in connection with this Agreement is to provide the Services set forth herein to aid Client and the other USG parties in the analysis of certain of the Assets; (b) the Services to be provided by BlackRock, including its analyses, are solely estimated and advisory in nature and should only be relied upon by Client as such; (c) while BlackRock does not make a market in the Assets covered by this Agreement, BlackRock or its affiliates (for itself or on behalf of its clients) may own positions in such Assets or the individual assets underlying them (whether long or short) and BlackRock and its affiliates (for itself or on behalf of its clients) shall not be restricted from transacting in them; (d) if BlackRock or its affiliates owns (for itself or on behalf of its clients) any of the Assets covered by this Agreement, the valuations used by BlackRock for portfolio management purposes may differ from those provided to Client as part of the Services due to BlackRock fund requirements (e.g., fund pricing policies and price sourcing protocols); (e) BlackRock is not serving as an investment advisor or fiduciary, or making any investment recommendations or soliciting any action based on its Services; (f) Client will be solely

responsible for forming its own judgments as to accounting treatment or the valuation, or purchase or sale, of any of the Assets; and (g) Client is solely responsible for the adoption, implementation and management of any advice or recommendations provided hereunder. Accordingly, BlackRock will not be responsible or have any liability for any actions of or conclusions drawn by Client with respect to any matter, whether or not such conclusions are based to any extent on the Services provided by BlackRock except where such actions or conclusions of the Client were taken based on a breach of BlackRock's duties under this Agreement.

5. Fees. Client shall pay BlackRock the fees set forth in Schedule A to this Agreement which shall be inclusive of expenses.

6. Confidential Information and Limited Access.

(a) BlackRock Confidentiality Obligation. BlackRock agrees to comply with the confidentiality and non-disclosure obligations set forth in that certain confidentiality agreement between the parties dated as of December 12, 2008 (the "Confidentiality Agreement"), a copy of which is attached hereto as Schedule B and incorporated into this Agreement

(b) Limited Access. BlackRock agrees to limit the access to information that is the subject of this Agreement to only those of its and its wholly-owned subsidiaries and its and their respective officers, directors, employees and agents (including independent consultants) that are necessary to its performance of the Services or the enforcement of its rights hereunder, and shall require all such employees to keep all such information obtained by them as strictly confidential, and shall only provide such information to agents who are bound by a duty of confidentiality substantially similar to those of BlackRock hereunder. BlackRock will be responsible for

any such agent's compliance with the confidentiality and non-disclosure obligations under this Agreement. In addition, neither BlackRock nor any of its employees or other representatives will use or allow the use of any Confidential Information for any purpose except as necessary in connection with BlackRock's engagement hereunder.

(c) Information Barrier and Conflicts Policies. Without limiting the foregoing, BlackRock shall adhere to the following additional information barrier and conflicts procedures:

(i) BlackRock shall provide Client with the internal ethics policies and procedures put in place to govern the conduct of its employees. Consistent with Section 6(b) above, these policies and procedures must be designed at a minimum to ensure that (x) personnel assigned to provide the Services hereunder are segregated from BlackRock's traditional portfolio management group personnel (the "Restricted Persons"), and (y) any Confidential Information related to the provision of the Services is not shared with such Restricted Persons except as provided in 6(c)(iii) below. In addition, BlackRock employees performing valuation services under this Agreement shall be restricted for the term of the Agreement and six months thereafter from (1) being engaged to provide valuation services by a potential purchaser of a portfolio(s) of the Assets from Citigroup, or (2) assisting any BlackRock personnel contemplating the purchase of a portfolio(s) of such Assets in its capacity as investment manager. For the avoidance of doubt, the foregoing shall not restrict BlackRock from being engaged to provide valuations on the same securities, instruments or loan positions on another entity's books (i.e., not Citigroup or an affiliate thereof).(ii) Consistent with BlackRock policies, the foregoing will not restrict BlackRock employees that are providing the Services from discussing general credit/issuer data, economic/market data and information on general investment strategies, macro investment themes and

modeling or analytic techniques with Restricted Persons to the extent they deem advisable to maximize the value of the Services to the Client, so long as in each case BlackRock's information barrier policies and procedures and complied with in all respects (e.g., Confidential Information is not shared with such Restricted Persons).

(iii) With the advance written approval of Client (from the date hereof), and subject to BlackRock's information barrier policies and procedures, specific Restricted Persons may be brought "over the wall" and provided Confidential Information in order to provide additional support for BlackRock's provision of the Services. Any such authorization will be vetted and documented by BlackRock's Legal and Compliance Group in accordance with BlackRock's information barrier policies and procedures.

(iv) BlackRock has disclosed to Client potential conflicts of interest resulting from this Agreement, which it has identified in good faith to Client, and has consulted with Client with respect to its conflict mitigation plan. BlackRock shall disclose any additional potential conflicts of interest to Client as they arise and shall follow BlackRock's conflict mitigation plan as set forth in its information barrier and other conflict policies and will cooperate with the Client to determine whether any additional steps are necessary.

(d) FOMC and Bank Supervision Information
BlackRock will not ask for or be provided with confidential information regarding monetary policy, open market operations or, the Federal Open Market Committee. In addition, BlackRock will not ask for or be provided with confidential supervisory information gathered in connection with the Bank Supervision's examination authority. In the event of inadvertent disclosure of such information to BlackRock, BlackRock will immediately report such disclosure by telephone to the Chief Compliance Officer of Client and will ensure that BlackRock

destroys and does not rely or act on such information

(e) Client Confidentiality Obligation. Except as otherwise permitted in Section 1(c) above, all information provided by BlackRock in connection with the Services, as well as all BlackRock technology, know-how, financial models, model documentation, processes, trade secrets, contracts, proprietary information, historical or projected financial information, organizational or operating data, strategic or management plans, and customer information or lists, whether received before or after the date hereof ("BlackRock Confidential Information") shall be considered to be confidential and proprietary, the disclosure of which to third parties, or use by third parties will be damaging to BlackRock. Accordingly, Client agrees to maintain the strict confidentiality of the BlackRock Confidential Information and, except as otherwise permitted in Section 1(c) above, agrees not to disclose any such information other than to its own employees, agents or attorneys who have a need to know such information without the prior written consent of BlackRock, unless such disclosure is required by law or required under the Client's FOIA policies in which case 6(d) shall apply.

(f) In the event that Client determines that disclosure is required by law or under its FOIA policies, it will, to the extent permissible, promptly notify BlackRock and will take all steps reasonably required to protect the confidentiality of the BlackRock Confidential Information being disclosed including, but not limited to: (i) considering any argument that BlackRock wishes to make that disclosure is not required and/or that such disclosure is in violation of the terms and conditions of this confidentiality agreement; (ii) providing BlackRock, at the expense of BlackRock, with all reasonable assistance in resisting or limiting disclosure; (iii) advising the recipient that the BlackRock Confidential Information is subject these confidentiality obligations; and (iv) using

reasonable efforts to obtain an appropriate stipulation or order of confidentiality, if applicable.

(g) Notwithstanding the foregoing, Client shall have no obligation under this Section 6 with respect to any information that: (1) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than Client in violation of this Section 6; (2) is subsequently learned from a third party that, to the knowledge of Client, is not under an obligation of confidentiality to BlackRock; (3) was known to Client at the time of disclosure, as can be demonstrated by contemporaneous written evidence; (4) is generated independently by Client without reference to the BlackRock Confidential Information, as can be demonstrated by contemporaneous written evidence; or (5) is disclosed pursuant to applicable law, subpoena, other legal process, or in connection with the enforcement of Client's rights under this Agreement.

7. Limitations on Liability; Indemnity. (a) Except with respect to a breach of BlackRock's confidentiality obligations under Section 6 above in no event will BlackRock's liability, in the aggregate, exceed the fees paid by Client to BlackRock hereunder. In no event shall BlackRock be liable for any incidental, consequential, indirect damages or lost profits.

(b) Client shall defend and indemnify BlackRock against all other losses, damages, expenses (including reasonable attorney's fees), and claims ("Losses") arising out of this Agreement, including, without limitation, for Client's breach of its obligations under Sections 1(c), 2(c) and 6, except to the extent such Losses were caused by BlackRock's willful misconduct, fraud or reckless disregard of its duties hereunder or BlackRock's breach of its confidentiality and non-disclosure obligations under the Confidentiality Agreement (including, but not limited to, with respect to Confidential Information of Citigroup). Subject to (c) below, Client agrees

to reimburse BlackRock for its time and all out-of-pocket expenses (including reasonable attorney's fees) incurred by BlackRock in connection with investigating, preparing for or defending any action or claim or responding to any regulatory inquiry, whether in connection with pending or threatened litigation or regulatory inquiry in each case, as such expenses are incurred or paid.

(c) Requirements for Claiming Under the Indemnity. In order to recover amounts under section (b), BlackRock: (i) must provide reasonably prompt notice to the Client of any claim for which indemnification is sought, provided that the failure to provide notice shall only limit the indemnification provided hereby to the extent of any incremental expense or actual prejudice as a result of such failure; and (ii) must not make any admissions of liability or incur any significant expenses after receiving actual notice of the claim or agree to any settlement without the written consent of the Client, which consent shall not be unreasonably withheld.

(d) Rights of the Client. The Client may, in its sole discretion, and at its expense, control the defense of the claim including, without limitation, designating counsel for BlackRock and controlling all negotiations, litigation, arbitration, settlements, compromises and appeals of any claim; provided that (i) the Client may not agree to any settlement involving BlackRock that contains any element other than the payment of money and complete indemnification of the indemnified person without the prior written consent of BlackRock, (ii) the Client shall engage and pay the expenses of separate counsel for BlackRock to the extent that the interests of BlackRock are in conflict with those of the Client, and (iii) BlackRock shall have the right to approve the counsel designated by the Client, which consent shall not be unreasonably withheld.

8. Term. The initial term of this Agreement will begin on the Effective Date and will

expire upon the completion of the Services as described in Schedule A

9. Applicable Law and Submission to Jurisdiction. (a) Applicable Law and Submission to Jurisdiction. This Agreement and the rights and obligations herein shall be governed by Federal law, and in the absence of controlling Federal law, in accordance with the laws of the State of New York, notwithstanding New York's conflict of law rules. Any legal action, suit or proceeding arising out of or in connection with this Agreement shall only be brought in the United States District Court for the Southern District of New York. For these purposes, BlackRock and Client submit to the jurisdiction of such court.

(b) Each party acknowledges that certain breaches by it of its obligations hereunder (such as under Sections 1(c) and 6) may cause irreparable harm to the other party, and that the aggrieved party shall be entitled in any such case to seek injunctive or similar relief without the posting of any bond or security.

10. Assignment. Neither party may assign this Agreement. Subject to the foregoing, this Agreement shall be for the benefit of and binding upon the parties and their successors.

11. Notices. Any notice given hereunder shall be in writing and delivered by hand, facsimile, or by over night delivery services, addressed as follows.

If to Client:

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001

or if to FRB-NY's Chief Compliance Officer

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001

With a copy to:

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001

If to BlackRock:

With a copy to:

Notices will be deemed given only upon actual receipt.

12 Entire Agreement. This Agreement, including the Confidentiality Agreement attached as Schedule B, constitutes the entire agreement between the parties with respect to the subject matter hereof. No understanding or modification relating hereto shall be valid unless in writing and signed by both parties.

13. No Waiver. No failure on the part of BlackRock or Client to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power, privilege or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by BlackRock or Client of any

right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. The rights, powers, privileges and remedies herein provided are cumulative and are not exclusive of any rights, powers, privileges and remedies provided by law.

14. Non-Exclusive Arrangement. BlackRock agrees that Client shall not be restricted from receiving services, whether or not similar to the Services, from any other entity. Client agrees that BlackRock shall not be restricted from furnishing services similar to the Services, or any other investment management, risk management, or advisory services, to others, and, in its discretion, may make recommendations to others which may be the same as, or may be different from those made under this Agreement. Subject to the obligations of BlackRock under Section 6 above, Client acknowledges that BlackRock, its affiliates, and any officer, director, stockholder, employee, or any member of their families, may have an interest in Assets with respect to which Services are performed under this Agreement. Subject to the obligations of BlackRock under Section 6 above, actions taken or recommendations made with respect to assets of the same kind covered by the Services may be the same as or different from the action that BlackRock or any of its affiliates, or any officer, director, stockholder, employee or any member of their families, or other investors may take with respect thereto. As described in Section 6 above, BlackRock shall disclose potential conflicts of interest to the Client as they arise and will cooperate with the Client to determine appropriate steps to address any such potential conflict.

15. Severable. Any term or provision of this Agreement that is invalid or unenforceable in any applicable jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this

Agreement in any jurisdiction.

16. Schedules. References to this Agreement shall be deemed to include any schedules, addenda, and exhibits hereto, taken as a whole with the Agreement.

17. Taxes. Charges under this Agreement shall be exclusive of Federal, State, county or local sales, use, excise or other taxes, however designated, from which the FRBNY, as a Federal Reserve Bank, is exempt pursuant to the third paragraph of Section 7 of the Federal Reserve Act (12 U.S.C. § 531).

18. Construction. Any conflict between the body of this Agreement and the schedules or attachments hereto that are expressly referenced herein shall be resolved in favor of such schedules or attachments.

19. Survival. Sections 1(c), 4, 6, 7, 9, and any other provision that by its terms survives termination, shall survive the expiration or earlier termination of this Agreement.

20. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement.

21. Cooperation. The parties recognize that successful delivery of the Services will require mutual cooperation, communication, feedback, and interaction, including action required hereunder or reasonably requested by the other party to enable it to accomplish its obligations and responsibilities hereunder. Both parties agree to perform the foregoing responsibilities in good faith and in a professional manner that reflects the sophisticated nature of the Services to be provided.

22. Independent Contractor. BlackRock is an independent contractor and is not an agent or employee of Client. BlackRock has no authority to bind Client by contract or otherwise without Client's prior written authorization. The manner of BlackRock's performance of the Services shall be in its sole discretion, subject to the requirement

that BlackRock shall at all times comply with applicable law and its obligations hereunder. Client has no right or authority to control the manner or means by which the Services are rendered.

23. Public Statements. BlackRock agrees not to originate or encourage any written or oral statement, news release, or other public announcement or publication, relating to any matter arising in connection with this Agreement, and/or any related matter concerning Client without the express prior consent of the President, First Vice President or an Executive Vice President of Client; provided, that in the event that BlackRock's engagement to provide the Services hereunder is made public by any of the USG parties or any other third party, BlackRock shall not be precluded from publicly discussing the fact that it has been engaged by Client to provide the Services so long as no other Confidential Information relating to this Agreement may be publicly discussed by BlackRock.

24. No Third-Party Rights. Nothing in this Agreement shall be construed to confer upon any third party a right of action under this

Agreement or any other right whatsoever and no person or entity shall be deemed a third party beneficiary under or by reason of this Agreement.

25. Maintenance and Access to Records. (a) BlackRock shall maintain appropriate books of account and records relating to Services performed hereunder including appropriate documentation of issues arising under BlackRock's conflict of interest policies. BlackRock shall either retain such records for as long as requested by the Client (but not more than 5 years unless otherwise mutually agreed by the parties) or provide the records (or copies of such records) to Client prior to destruction of the records under Client's normal record retention policy. Client shall have the right to access the records upon reasonable notice to BlackRock and BlackRock shall cooperate fully in making its premises and all relevant information related to its performance pursuant to this Agreement and personnel available to the Client. If requested, BlackRock shall provide similar access to its records and personnel to the USG parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Effective Date

FEDERAL RESERVE BANK OF NEW YORK

BLACKROCK FINANCIAL MANAGEMENT, INC.

SCHEDULE A

Evaluation of Citigroup Exposures: Statement of Work

1. Background

- a. The USG parties are party to a transaction to protect Citigroup against certain losses on an asset pool (the "Transaction").
 - The asset pool consists of residential and commercial real estate loans and securities, certain associated hedges and other assets (the "Covered Assets"). See Annex 1.
 - The Covered Assets include assets that are not required to be carried at their market values by Citigroup (the "Accrual Assets") and those that are marked-to-market (the "Mark-to-Market Assets").
- b. Certain Mark-to-Market Assets and Accrual Assets were specifically identified by Citigroup to the USG Parties at the end of November 2008, as shown on Annex I. Certain of these Covered Assets were not eligible for the Transaction. As a result, Citigroup has proposed a pool of replacement assets (the "Replacement Assets") to be Covered Assets for the Transaction with the USG Parties, as shown on Annex II. BlackRock understands that the pool of Covered Assets may change materially during negotiations with Citigroup
- c. Citigroup also presented the USG parties with a list of assets described as associated hedging positions for the Covered Assets (the "Hedge Assets"), which include, among other items, credit default swaps, interest rate and other swaps, long and short direct and synthetic positions in securities and referencing certain indices.

2. Government Overall Objectives

- a. *Mark-to-Market Valuation.* Citigroup provided the USG parties with its valuations for the Mark-to-Market Assets as of November 21, 2008. The USG parties seek an independent valuation and review of the Mark-to-Market Assets.
- b. *Loss Projections under Base and Stress Case Scenarios.* Citigroup provided the USG parties with its loss projections for the Covered Assets. The USG parties seek an independent, one-off projection of losses for the Covered Assets under base, stress, and optimistic scenarios to inform the USG parties' potential exposure.
- c. *Review of Proposed Replacement Assets and High-Level Review of Citigroup First Loss Position.* The USG parties seek an independent, preliminary review of the types of assets proposed as Replacement Assets, a high-level review of their associated risks and general advice as to the impact of the Replacement Assets on the sizing of Citigroup's first loss position that had been determined in initial negotiations with the USG Parties based on the Covered Asset pool at the end of November 2008.

- d. *Review of Hedge Assets.* The USG parties seek an independent preliminary review of the Hedge Assets, including a high-level review of their associated risks and impact as risk mitigants, as well as general advice as to their inclusion as part of the guarantee transaction with the USG parties.

3. Timeline & Deliverables

➤ ***December 19, 2008: Valuation of a Sampling of Mark-to-Market Assets.***

Valuation. BlackRock will deliver a report with estimated market valuations for a non-representative sampling of the Mark-to-Market Assets by December 19, 2008. Estimated market valuations will be based on BlackRock models and professional judgment.

The Covered Assets span a wide variety of assets classes in loan and security form, many of which cannot practically be valued by December 19, 2008.

BlackRock's expected coverage will include:

- RMBS (Prime, Alt-A, Subprime)
- CDOs and Monolines
- Leveraged Finance
- Top 10 CRE loans and CMBS sampling

BlackRock will also perform a review and evaluation of the methodology employed by Citigroup to value the autos portfolio within the Mark-to-Market Assets, including analysis of the structures, exposures and issues in this segment of the Mark-to-Market Assets.

➤ ***From December 19, 2008 through the Week of January 5, 2008: Review of Replacement Assets and Hedge Assets.***

- *Review of Replacement Assets.* BlackRock will review the Replacement Assets, as available from Citigroup, and promptly report in regular communications with the FRBNY regarding: asset classes, types of obligors, position sizes and overall portfolio characteristics. The purpose of this review is to provide the USG Parties with an independent understanding of the characteristics of the proposed Replacement Assets.
- *General Risk Advisory.* BlackRock will review the Replacement Assets, as available from Citigroup, and promptly report in regular communications regarding their risk profiles. BlackRock will strive to deliver high-level risk analysis on the maximum number of Replacement Assets possible, but will not be able to provide granular risk analysis on a material portion of the Replacement Assets.
- *Sizing of Citigroup First Loss Position.* As a follow-on to BlackRock's general risk advisory work above, BlackRock will provide its general analysis as to projected losses on the Covered Assets (and Replacement Assets, as applicable) and structuring of the Citigroup First Loss position in accordance with the USG Parties' objectives.

- *Review of Hedge Assets.* BlackRock will review the Hedge Assets, as available from Citigroup, and promptly report in regular communications regarding their associated risks and impact as risk mitigants to the Covered Assets. BlackRock will provide its general advice as to the treatment of the Hedge Assets under the guarantee transaction agreement.

➤ **January 16, 2009: Preliminary Results of Valuation and Loss Projections.**

- *Valuation.* BlackRock will provide a preliminary draft report showing estimated market values for Covered Assets as of November 21, 2008.
- *Loss Projections.* BlackRock will produce projections of principal loss, weighted average life and yield for the Covered Assets in base, stress, and optimistic scenarios.

For delivery of pre-final valuations and loss projections, BlackRock will strive to deliver the maximum number as quickly as possible. Given the complexity of the book, the final assessment *may differ materially* from preliminary results.

➤ **January 29, 2009: Final Valuation and Loss Projection Report; Analysis of Government Potential Exposure under Guarantee Program.**

- *Valuation and Loss Projections.* BlackRock will provide a final report covering the estimated valuation and loss projections for the Covered Assets.
- *Application of Aggregate BlackRock Loss Projection Results to Guarantee Structure to Estimate Government Potential Funding Obligations.* BlackRock will provide a report aggregating potential losses for the Covered Assets and running those losses through the transaction structure of the guarantee to estimate the potential funding obligations of the USG parties under the guarantee program

For delivery of final valuations and loss projections, BlackRock will do its best to cover as much of the Citigroup book as possible.

- BlackRock may not be able to provide granular loss projections with respect to all assets (auction rate securities, for example), but will instead seek to provide a loss projection analysis based on a general asset-liability analysis that can be illustrative of potential losses and is informed by BlackRock's market experience.
- In comparable assignments, BlackRock's coverage has typically exceeded 90 percent. This estimate appears reasonable in this case, based on the limited information BlackRock has to date.

➤ **February 12, 2009: Management Book.**

BlackRock will produce a management-level presentation covering:

- an overview of the asset class exposures,

- key assumptions,
- loss projections,
- variances in BlackRock prices versus Citigroup prices, and
- providing potential explanations as to these variances.

4. Fees

- a. The fee for the Services described above shall be \$12 million. One half of such fee will be invoiced by BlackRock and payable by Client in advance. The remaining half of the fee will be invoiced by BlackRock and payable by Client after BlackRock's delivery of the January 29, 2009 deliverable described above.
- b. The foregoing fee will be inclusive of any BlackRock out-of-pocket expenses.
- c. BlackRock's primary engagement is to provide the December 19, 2008 and January 2009 deliverables referenced above. Given the fluid nature of the Transaction and the Replacement Assets process, the USG parties have also requested BlackRock's services on a reasonable efforts basis to assist with the Replacement Assets. The parties agree that review of the Replacement Assets on an expedited timetable may require significant additional time and expense for BlackRock. The parties agree to revisit the fee for the Services in good faith in the event that BlackRock informs the FRBNY that the analysis requested with respect to the Replacement Assets involves significant additional resources and efforts that go beyond those BlackRock has already put in place for the January 16, January 29 and February 14, 2009 deliverables.

Annex 1: Covered Assets Summary

Annex II: Replacement Assets Summary

SCHEDULE B
CONFIDENTIALITY AGREEMENT

[See attached]

CONFIDENTIALITY AGREEMENT
BETWEEN
BLACKROCK FINANCIAL MANAGEMENT, INC.
AND
THE FEDERAL RESERVE BANK OF NEW YORK
REGARDING
THE ENGAGEMENT IN CONNECTION WITH CITIGROUP, INC.

APPLICABILITY This confidentiality agreement, dated as of December 12, 2008, governs the entire engagement of BlackRock Financial Management, Inc. ("BlackRock") by the Federal Reserve Bank of New York ("FRBNY") in connection with certain measures announced by the FRBNY with respect to Citigroup, Inc. or its subsidiaries ("Citigroup") on November 23, 2008 (the "Project"). The terms of this confidentiality agreement will be incorporated by reference into any future agreements or letters of engagement executed between the named parties on this subject, and may be augmented and amended as necessary.

TERMS OF CONFIDENTIALITY

ENGAGEMENT BlackRock shall keep the existence, terms, and subject of this engagement strictly confidential, except to the extent required by law, governmental or administrative rule, or regulation

CONFIDENTIAL INFORMATION: BlackRock acknowledges that all information and material that has or will come into the possession or knowledge of BlackRock in connection with the Project including, but not limited to

1. briefing material, information, and data, both written and oral, related to the proposed transactions,
2. financial information, condition, processes, and procedures of the FRBNY, Citigroup and any of their respective subsidiaries or affiliated entities;
3. material related to the FRBNY's data processing systems, applications, procedures, policies and standards;
4. the physical security of the FRBNY,
5. economic data, including but not limited to open market operations or information regarding the Federal Open Market Committee,
6. financial, statistical and personnel data pertaining to the FRBNY, Citigroup, other member banks of the Federal Reserve System, and other financial institutions; and
7. financial, statistical, strategic planning and other similar information relating to the past, present, or future activities of the FRBNY or Citigroup, which has or will come

into the possession or knowledge of BlackRock in connection with this engagement or its performance hereunder,

(collectively, “Confidential Information”) shall be considered to be confidential and proprietary, the disclosure of which to third parties, or use by third parties will be damaging to the FRBNY. Accordingly, BlackRock agrees to maintain the strict confidentiality of this information, and agrees not to disclose any such information other than to its own employees, agents or attorneys who have a need to know such information without the prior written consent of the FRBNY, unless such disclosure is required by law

BlackRock further agrees that, in the event that it determines that disclosure is required by law, it will promptly notify the FRBNY and will take all steps reasonably required to protect the confidentiality of the Confidential Information being disclosed including, but not limited to: (i) considering any argument that the FRBNY wishes to make that disclosure is not required and/or that such disclosure is in violation of the terms and conditions of this confidentiality agreement; (ii) providing the FRBNY, at the expense of the FRBNY, with all reasonable assistance in resisting or limiting disclosure; (iii) advising the recipient that the Confidential Information is subject to this confidentiality agreement, and (iv) using reasonable efforts to obtain an appropriate stipulation or order of confidentiality, if applicable

BlackRock agrees to promptly notify the FRBNY of any breach of confidentiality or misappropriation by BlackRock that comes to the attention of a BlackRock employee concerning any information protected under this confidentiality agreement, and to take all reasonable measures to cure any such breach by BlackRock of its confidentiality obligations hereunder and to recover any data or information wrongfully disclosed

LIMITED ACCESS BlackRock agrees to limit the access to information related to this engagement to only those of its employees that are necessary to its performance under this engagement.

PUBLIC STATEMENTS BlackRock agrees not to originate, participate in, or encourage any written or oral statement, news release, or other public announcement or publication relating to any matter arising during this engagement, and/or any related matter concerning the FRBNY or the Project, without the prior written consent of the President, First Vice President, or an Executive Vice President of the FRBNY

EXCEPTIONS. BlackRock shall have no obligation under this confidentiality agreement with respect to any information that (1) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than BlackRock in violation of this confidentiality agreement, (2) is subsequently learned from a third party that, to the knowledge of BlackRock, is not under an obligation of confidentiality to the FRBNY or Citigroup, (3) was known to BlackRock at the time of disclosure, as can be demonstrated by contemporaneous written evidence, (4) is generated independently by BlackRock without reference to the Confidential Information of the FRBNY, as can be demonstrated by contemporaneous written evidence; or (5) is disclosed pursuant to applicable law, subpoena, other legal process, or in connection with the enforcement of BlackRock’s rights under this confidentiality agreement

GOVERNING LAW AND JURISDICTION· This confidentiality agreement shall be governed by and construed in accordance with the laws of the United States and, in the absence of controlling federal law, the laws of the State of New York, notwithstanding its conflicts of law rules. All claims under this confidentiality agreement shall be subject to the exclusive jurisdiction of the U.S. District Court for the Southern District of New York, and the parties hereby consent to the personal jurisdiction thereof

IN WITNESS WHEREOF, the parties hereto have caused this confidentiality agreement to be duly executed by an authorized person as of the date first written above

FEDERAL RESERVE BANK OF NEW YORK

BLACKROCK FINANCIAL MANAGEMENT, INC.