

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N Y 10045-0001

April 13, 2009

VIA E-MAIL

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019

Re: Retainer Letter

This letter confirms the terms and conditions governing the representation of the Federal Reserve Bank of New York (the "Bank") by Sidley Austin LLP ("Sidley") in respect of the Firm's representation and handling of the Bank's legal matters. We expect the first two engagements to involve TALF 2.0 and AIG securitization.

This Retainer Letter incorporates the Bank's Terms and Conditions for Engagement of a Law Firm As of April 1, 2009 ("Terms and Conditions"), a copy of which is attached.

If Sidley agrees with the Terms and Conditions, as modified by the provision on possible conflicts in connection with TALF below, please sign one (1) copy of this letter, and return it to me for the Bank's files. Please also distribute the Terms and Conditions as appropriate, to the lawyers within your firm who will have responsibility for work on the Bank's matters.

If any portion of any prior Engagement Letter between Sidley and the Bank conflicts with this Retainer Letter or the Terms and Conditions, this Retainer Letter and the Terms and Conditions, including its exhibits, shall control.

April 13, 2009

The Terms and Conditions are modified by adding the following provision:

With respect to work connected with TALF 2.0, Sidley will have a number of "designated" lawyers who will work on TALF 2.0 design, some of whom will cease representing the Bank after the design phase is completed. Sidley lawyers, while representing the Bank with respect to the TALF 2.0, may consult with or otherwise seek the assistance of other Sidley lawyers with respect to the TALF 2.0 matter, as is reasonably necessary or appropriate. Such other Sidley lawyers may record their time and expenses for such consultation and assistance and will observe the restrictions on use of confidential information, but such lawyers will not thereby become designated lawyers for purposes of representation of, or negotiation for, other clients.

Those designated Sidley lawyers representing the Bank will be restricted in their TALF 2.0 client work to representing only the Bank. They will not be allowed to represent private sector clients on any aspect of TALF 2.0 while representing the Bank with respect to TALF 2.0. Sidley lawyers representing the Bank who wish to represent other clients on matters other than negotiations directly with the Bank on TALF 2.0 matters must provide the Bank advance notice. At that time the Bank will decide whether to terminate the relationship with the attorney.

Sidley lawyers who cease representing the Bank may represent other clients on TALF 2.0 matters but they may not negotiate directly with the Bank on TALF 2.0 matters, nor may they advise other clients on direct negotiations with the Bank with respect to TALF 2.0. If TALF 2.0 eliminates or substantially reduces the role of primary dealers such that private sector clients are required to negotiate directly with the Bank in order to participate in TALF 2.0, Sidley and the Bank will exercise common sense, good judgment, and sound discretion in an effort to neutralize or mitigate the conflicts and any adverse effect on Sidley that would otherwise result from the proscription in the preceding sentence while still serving the best interests of the parties.

No Sidley lawyer may represent the Bank on a TALF 2.0 matter in which another Sidley lawyer is representing a client in a direct negotiation with the Bank. Sidley will provide advance notice of such a situation to permit the Bank time to substitute other counsel for the Bank on the negotiation.

Sidley lawyers will also observe the rules of professional conduct regarding confidentiality, conflicts, screening, and so on.

April 13, 2009

If you have any questions or comments regarding this Retainer Letter or the Terms and Conditions, please contact me and either I or my designee will discuss them with you.

We have received the Bank's Retainer Letter and Terms and Conditions As of April 1, 2009 and agree to be governed by them in our representation of the Bank. The undersigned is the Principal Partner, as that term is defined in the Terms and Conditions.

Federal Reserve Bank of New York
Terms and Conditions for Engagement of a Law Firm
As of April 1, 2009

1. Introduction

- a. These Terms and Conditions are intended to govern the relationship between the Bank and Law Firm by establishing a common understanding of key principles and processes. They apply to any matter on which the Firm has been engaged by the Bank.
- b. All defined terms have the meaning ascribed to them in Section 14, below.
- c. Exhibits:

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2. Engagement of Your Firm

- a. The Law Firm may be engaged only by a member of the Bank's Legal Department at the level of Senior Vice President or above.
- b. On any matter for which the Law Firm is engaged, the Lead Outside Attorney, or his or her designee, must, absent exigent circumstances or the consent of the Lead Bank Attorney, submit a completed Matter Engagement Form and Time Keeper List to the Matter Intake Coordinator within three days of beginning the engagement. The Engagement Form and Time Keeper List are attached as Exhibits A-1 and A-2 respectively and their provisions are fully incorporated into these Terms and Conditions.
 - i. In the event that issues arise that are outside of the scope of work detailed within the Matter Engagement Form, that require additional legal work or will increase legal fees, the Lead Outside Attorney must discuss the issue with the Lead Bank Attorney to determine whether a Matter Amendment Form (Exhibit A-3) should be submitted or if the issues require a new Matter Engagement Form.
- c. The Lead Bank Attorney shall review each Matter Engagement Form, Time Keeper List and Matter Amendment Form and indicate approval via e-mail. The Lead Bank

Attorney may request additional details from the Law Firm in order to approve the creation of a new matter.

- d. During the course of a matter, the Lead Bank Attorney may (in the exercise of reasonable discretion) at any time request that a current member of the Law Firm team be replaced by a new member or that a contract attorney be used for specified work or that the individual's role be eliminated from the scope of the engagement.
- e. The Principal Partner, for all matters, and the Lead Outside Attorney, for matters assigned to that individual, are responsible for managing the work of the Law Firm by monitoring the work and hours being charged to matters.
 - i. Generally, a legal task should be handled by the most competent person having the lowest hourly rate, taking into account the importance of the matter. In determining whether a task should be assigned to a junior member of the Law Firm consideration should be given to cost effectiveness. In some situations, the work can be completed more efficiently and at a lower total cost by a more senior member of the Law Firm. The use of paralegals and law clerks is encouraged when appropriate, provided that, their work is supervised by an attorney.

3. General Roles and Responsibilities

- a. A close and collaborative relationship between the Law Firm and the Bank is critical. This requires timely communications between the Bank and the Law Firm to avoid surprises and ensure that the Law Firm is focused on meeting the Bank's objectives.
- b. The Lead Bank Attorney is responsible for communicating Bank decisions on specific matters to the Law Firm and being the primary contact for communications from the Law Firm on all matters applicable to the Bank.
- c. The Lead Outside Attorney is responsible for:
 - i. the quality, timeliness and cost effectiveness of the work for which the Law Firm has been engaged;
 - ii. timely advising the Lead Bank Attorney (and other relevant Bank attorneys assigned to the matter identified to the Lead Outside Attorney) of all significant issues or developments arising from any engagement, including any anticipated adverse events and copies of any filing, significant correspondence, document, due diligence or legal memorandum related to the matter;
 - iii. protecting the attorney client privilege of information disclosed to the Law Firm by the Bank.

- iv. responding to requests from the Lead Bank Attorney and all other Bank attorneys assigned to the matter concerning matter status and/or legal developments;
 - v. providing the Lead Bank Attorney and the other relevant Bank attorneys assigned to the matter the opportunity and time to review drafts of all significant documents for a matter, especially any documents that will be provided to third parties;
 - vi. assessing the scope of any matter for which the Law Firm has been engaged and discussing it with the Lead Bank Attorney to ensure that the Engagement Form is accurately completed;
 - vii. periodically submitting a Matter Status Update Form (Exhibit A-4) to document progress against the objectives noted and, if necessary, engaging in a discussion with the Lead Bank Attorney; and
 - viii. alerting the Lead Bank Attorney if the Law Firm's attorneys and other professionals are not in the best position to provide the quality of services the Bank expects.
- d. The Principal Partner is responsible for the Law Firm's overall management of the relationship between the Law Firm and Bank and for the Law Firm's compliance with the Billing Guidelines, set forth in Exhibit B.
- e. The Bank's General Counsel, or its designee, is responsible for the Bank's overall management of the relationship between the Bank and the Law Firm.

4. Up-the-Ladder Reporting

- a. The Law Firm acknowledges receipt of the Bank Legal Department's "Up-the-Ladder" Procedures ("the Up-the-Ladder" Procedures), attached as Exhibit C, for reporting suspected material violations of any state or Federal law, or fiduciary duty. The Principal Partner and Lead Outside Attorney agree to report any such suspected violation in conformity with the Up-the-Ladder Procedures. The Bank's General Counsel shall serve as the "supervising attorney" for purposes of the Up-the-Ladder procedures.

5. Billing Guidelines

- a. The Billing Guidelines, set forth in Exhibit B and incorporated into these Terms and Conditions, provide detailed instructions for staffing, engagement management, allowable fees and costs, budgeting, and invoice processing for all matters on which the Law Firm is engaged. The Bank reserves the right to adjust invoices to reflect either the instructions noted in the Billing Guidelines or the intent of the Billing Guidelines.

- b. The Bank is willing to enter into mutually rewarding alternative fee arrangements. The Bank encourages the Law Firm to propose alternatives to conventional hourly rate fee arrangements, including fixed fees, blended hourly rates, discounts, capped fees, productivity incentives, results driven fees, contingency fees and premiums. If the Bank grants a premium to the Law Firm for results-driven matters, it expects to share the downside risk by obtaining a discount in the event of a failed transaction or undesirable outcome. In all cases, alternative fee arrangements are in effect only if the Lead Bank Attorney agrees to them in writing in the Engagement Form or in a separate document.
- c. Unless otherwise noted in the Engagement Form, the Law Firm shall bill the Bank for legal services rendered on a "time and costs" basis, with overhead included in any quoted hourly rate. Time must be billed in 1/10 of an hour increments. The Bank requests that the Law Firm extend it a minimum 15% discount off of standard 2009 billing rates. The Bank is receptive to the Law Firm's proposals as to how best to deliver on this request.
- d. Any adjustments to previously agreed-upon billing rates will be considered only at the start of the calendar year. Requests for an increase must be approved by the Bank's General Counsel prior to invoicing the Bank at the new rates.
- e. Upon signature of the retainer agreement, the Law Firm should submit an electronic spreadsheet listing the levels, years, standard billing rates, and Bank's billing rate of all levels or positions to the Matter Intake Coordinator.

6. Conflicts

- a. The Law Firm on occasion represents other clients in matters involving the Federal Reserve Board and the Reserve Banks, including contacting officials and employees of the Federal Reserve Board and the Reserve Banks. The Law Firm's representation of the Bank does not preclude continuing representation of other clients by the Law Firm provided that the Lead Outside Attorney and any other attorney assigned to and working on one of the Bank's matters does not personally become involved in any new representation that involves contact on behalf of other clients with any official or employee of the Federal Reserve Board or the Reserve Banks during the time the Law Firm is representing the Bank.
- b. Occasionally, the Law Firm is involved, on behalf of other clients, in representations, that would be, or might be, viewed as adverse to the Federal Reserve System. The representation could include litigation in which the Federal Reserve Board or a Reserve Bank is an adverse party, or counseling where the position being pursued on behalf of the Law Firm's other client is adverse to a position of the Federal Reserve Board or the Reserve Banks. The Law Firm's representation of the Bank does not preclude the Law Firm from negotiating for, providing counseling to, or litigating on

behalf of another client in a matter adverse to the Federal Reserve System provided that:

- i. in no circumstance, would the Law Firm undertake any representation adverse to the Federal Reserve System that was substantially related to the subject matter of the representation being provided on the Bank's matter; and
- ii. the Lead Outside Attorney or any other attorney assigned to and working on Bank matters, will not personally become involved in any representation adverse to the Federal Reserve Board or the Reserve Banks, whether substantially related to the Bank matter or not, during the period in which the Law Firm continues to represent the Bank.

c. The Bank may, in its sole discretion, waive these conflict restrictions. If potential or actual conflicts not addressed by these provisions are identified, the Bank and Law Firm will exercise common sense, good judgment, and sound discretion to neutralize or mitigate the conflicts in the best interests of the parties. Measures may include: creating effective information barriers screening attorneys working on a Bank matter from other Law Firm attorneys representing clients whose interests may be affected by the Bank matter, and *vice versa*, and compliance with the rules of professional conduct pertaining to conflicts and case law applicable to a retained law firm applied to the situation.

7. Diversity

- a. Diversity is important to the Bank. The Bank believes that a diverse workforce is a more creative and productive workforce. To achieve excellence and to better serve its clients, the Bank seeks a commitment to diversity on the part of its legal providers.

8. Ethical Standards

- a. The Bank believes corporate citizenship includes social responsibility and treating all people with dignity and respect. The Law Firm will conduct itself in a manner consistent with these principles and exhibit ethical business and professional conduct in all representations of the Bank. Each Law Firm attorney working on a Bank matter will read the Bank Code of Conduct, attached as Exhibit D, and conduct business with the Bank in a manner that would not, in any way, compromise the ability of a Bank employee to comply with the Code.
- b. The Law Firm will screen the background and qualifications of any attorneys or representatives who may have access to a Bank facility or provide services under this agreement. The Law Firm will cooperate with the Bank in providing information and permit the Bank or its representatives to inspect its books and records, upon reasonable notice, with regard to individuals who have access to a Bank facility.

9. Publication and Media Relations

- a. The Law Firm is not authorized to comment publicly on the Bank's legal or business matters. All media inquiries regarding the Bank's legal matters must be directed to the Lead Bank Attorney as soon as received.
- b. The Bank will allow the Law Firm to reference its name as a client in marketing materials on its website or in written materials but not otherwise to publicize its representation without the Bank's prior consent. The Law Firm is not authorized to use the Bank's trademarks without written permission from the Bank's General Counsel.

10. Right to Materials

- a. Upon termination or expiration of this agreement, the Law Firm shall deliver to the Lead Bank Attorney any records, data, and documents obtained from the Bank, including any copies of the foregoing except such copies the Law Firm believes it must retain in order to accurately document the nature, scope and quality of the services rendered by it to the Bank.

11. Confidentiality

- a. The Law Firm shall hold in strictest confidence all information relating to this agreement and any information that may be acquired in connection with or as a result of performing services under this agreement. During the term of this agreement and at any time thereafter, the Law Firm, its employees and agents shall not publish, communicate, divulge, disclose or use any information that has been designated by the Bank as proprietary or confidential or that is not contained in the Bank's published literature or not generally known outside the Bank without the Bank's prior written consent. If confidential information is disclosed, the parties shall take all reasonable measures, agreed to by the Bank and the Law Firm, to recover the information and prevent further disclosure. The Law Firm agrees to strictly enforce the terms of this section.
- b. Any breaches of confidentiality are to be communicated to the Lead Bank Attorney as soon as the Lead Outside Attorney is made aware of the breach.

12. Termination

- a. The Bank may at any time terminate the Law Firm's representation of the Bank upon notice to the Law Firm.

13. Applicable Law

- a. This agreement shall be deemed to be made under and shall be construed and interpreted in accordance with the law of the State of New York.

14. Definitions:

- a. The “Bank” refers to Federal Reserve Bank of New York.
- b. The “Law Firm” refers to the Firm signing the Retainer Letter.
- c. “Lead Bank Attorney” is the in-house Bank attorney who is responsible for a matter for which the Bank has retained the Law Firm.
- d. “Lead Outside Attorney” refers to the lawyer within the Law Firm who is primarily responsible for a specific Bank matter.
- e. “Business Manager” refers to _____, the Bank’s individual responsible for operations including, but not limited to, technology, budgeting and invoicing.
- f. “Matter Intake Coordinator” refers to _____, who is responsible for receiving, reviewing and setting up new matters or amending existing matters in the Bank’s matter management system.
- g. “Engagement Form” refers to the template that the Lead Outside Attorney must complete in order to receive a Bank Matter ID, which is required when the Law Firm submits an invoice for services.
- h. “Principal Partner” is the partner at the Law Firm responsible for the Law Firm’s overall relationship with the Bank and who signs the Retainer Letter.

By returning a signed copy of the Retainer Letter, the Law Firm agrees to these Terms and Conditions and attached exhibits. Agreeing to the Terms and Conditions requires that all timekeepers within the Law Firm currently working or who will be assigned to work on the Bank’s matters comply with the rules set forth in this document. These Terms and Conditions may be amended from time to time by the Bank as it, in its sole discretion, deems appropriate, such amendments to be binding upon the Law Firm thirty days after delivery to the Lead Outside Attorney.

Exhibit B: Billing Guidelines

I. Matter Staffing and Management

- A. ***Matter Staffing:*** Consistent with the Engagement Form, projects and assignments should be staffed with the number and level of personnel necessary to render quality service in a cost-effective manner. Staffing should be reviewed regularly and revised as necessary to achieve this goal and reflected on the Time Keeper List. For example, the Bank will not pay attorney rates for work that is typically performed by paralegals or clerical staff. Invoices may only include timekeepers listed on the current Time Keeper List. The Bank reserves the right to adjust any invoice.
- B. ***Meetings and Conferences:*** The Lead Outside Attorney is responsible for closely monitoring the use and number of the professionals at meetings, depositions, court appearances, due diligence sessions, office conferences and other events, including monitoring the same of other service providers who are engaged by the Law Firm for the same matter. The relevant Bank Attorney must be invited to every meeting or conference involving the Bank and third parties.

The Bank believes that more than three (3) timekeepers should not ordinarily be necessary at a meeting or teleconference. If more than three (3) timekeepers attend a specific meeting or conference, the Law Firm must inform the relevant Bank attorney which timekeepers will be attending and the necessity for each timekeeper. The relevant Bank attorney should be invited to participate in the meeting or conference. Time billed for conferences should be consistent among all attendees, include the meeting or conference name and explain the timekeeper's rationale for attending. The Bank may write down to \$0 time entries that reference meetings and conferences without sufficient detail.

- C. ***Outside Service Providers:*** The Bank wants to promote the efficient use of service providers who support the Law Firm's legal services.

For routine activities that could be performed by Law Firm personnel, such as review of files, compiling and digesting documents and transcripts, basic due diligence fact gathering, indexing, and similar functions, the Bank requests that the Law Firm first consult the Business Manager or Lead Bank Attorney to see if it would be more efficient to use one of the Bank's resources or an outside service providers (such as temporary or contract labor) with whom the Bank has preferred billing rates. If the extensive use of junior associates or paralegals is necessary on a matter or a portfolio of matters, the Law Firm should consult the Business Manager or Lead Bank Attorney to maximize the use of contract professionals. The Bank's perspective is that it would not be uncommon to augment the Law Firm's matter team with contract attorneys.

For activities other than those that can be provided by the Bank or by the Law Firm, including, but not limited to investigative services, local counsel, document managers, consultants, experts, translators, accountants, e-discovery services, third-party project managers, the Lead Outside Attorney may engage providers of such services only after obtaining the prior approval of the Lead Bank Attorney. The Lead Outside Attorney may engage a service provider of this type with the prior approval of the Lead Bank Attorney and shall provide a copy of the agreed upon terms for services to the Lead Bank Attorney and Business Manager.

The invoices for services performed by outside providers should be paid by the Law Firm and the original invoices included with the Law Firm's billing statement, unless other arrangements are made and approved by the Business Manager or Lead Bank Attorney. Fees and costs for these services should be itemized in the cost section of the Law Firm's submitted billing statement. The Law Firm must charge outside service providers to the Bank at the actual cost to the Law Firm.

The Lead Outside Attorney will be responsible, subject to the written approval of the Lead Bank Attorney, for the budgeting and billing arrangements governing the work performed by outside service providers, which must conform to these Billing Guidelines. The Bank reserves the right to adjust any excess amount billed over budget that is not approved, in writing, in advance by the Lead Bank Attorney.

- D. ***Training of Lawyers:*** The Bank will not pay for "learning time" or "getting up to speed" required by new, substitution or transitioning attorneys or paralegals working on the engagement.
- E. ***Unforeseen Activities:*** If the Lead Outside Attorney anticipates the need to undertake significant research or any other significant activity not contemplated when the Lead Outside Attorney completed and submitted the Engagement Form, the Lead Outside Attorney should obtain the consent of the Lead Bank Attorney and send an appropriate Matter Amendment form to the Matter Intake Coordinator to update the Bank's matter management system.
- F. ***Duplication of Effort:*** The Law Firm should make every attempt not to duplicate research, drafting or other written work product previously performed for the Bank and should take maximum advantage of model documents and appropriate documents to reduce the amount of time to draft documents.
- G. ***Closing Binders and Post Closing Work:*** Closing Binders shall be prepared for the Matter by the Law Firm and must include the following:
 - 1. A Closing Memorandum summarizing all of the parties to the matter and their affiliation/representation,
 - 2. a brief summary of the matter,
 - 3. an index of closing documents for the matter, and

4. execution copies of all transaction documents related to the matter as set forth in the index.

Closing Binders shall be provided to the Bank on compact disc (2 sets) within sixty business days from the closing of the matter. Fifteen percent (15%) of the final bill shall be withheld until the Bank receives acceptable closing binders and completion of all post closing work.

In the event that the matter involves the closing of a transaction, the Bank and the Law Firm shall agree prior to closing of the transaction on the post closing work, if any, besides completion of the closing binders to be performed by the Law Firm. The final bill for such post closing work shall be presented to the Bank prior to the closing of the matter and shall include the fee for all agreed upon post closing work.

- H. **Travel Time:** The Bank will not pay for time spent on domestic business travel unless the Law Firm works on Bank business while traveling. Billing for international business travel is limited to 8 hours a day unless substantive work for Bank is performed in excess of 8 hours; then actual time worked should be charged. If the Lead Outside Attorney or other members of the Law Firm team are traveling on business for more than one client, the Bank expects it to apportion the cost appropriately.
- I. **Time Entries:** Unless noted otherwise in the Engagement Form, all fees should be recorded in 1/10 of an hour increments and include brief, but accurate descriptions. Descriptions that include "services rendered," "attention to incoming items," "reading news articles," "research," or "analysis" without explanation of the specific topic or subject matter involved are inadequate.

Block billing, or time in excess of two (2) hour increments is discouraged and time entries must describe the work performed with sufficient specificity to justify the amount of time recorded.

- J. **Non-Billable Fees:** The Bank reserves the right not to pay for certain fees that are considered firm overhead:
 1. staffing matters, such as assembling, or making changes to the core team(s) of lawyers responsible for the Bank's work;
 2. ministerial effort related to setting up e-rooms or other file sharing repositories;
 3. fees or costs incurred by summer or winter associates working on the Bank's matters;
 4. processing conflict searches;
 5. preparing, amending, or discussing the matter Engagement Form and matter fee negotiation;

6. preparing billing statements, including but not limited to, entering time, reviewing draft bills, preparing invoice cover letters and following up with the Bank regarding invoice payment;
7. responding to inquiries by the Bank concerning services or billing statements;
8. engaging the Bank's preferred providers;
9. performing administrative and clerical tasks (e.g., scheduling meetings or obtaining books from the library, moving boxes or files, document distributions, and arranging travel);
10. overtime costs (incremental to their billing rates in the case of staff attorneys and paralegals) related to expended effort by staff attorneys, paralegals, legal assistants and secretarial professionals;
11. work that is required due to the error, incompetence or inefficiency of the Law Firm;
12. time entered from a pervious month that is thirty (30) days or older than the current invoice billing cycle, if the matter is subject to monthly billing;
13. filing or organizing correspondence, pleadings or other documents in internal firm files; and
14. performing other administrative services that are generally attendant to having the Bank as a client (e.g., review of professional journals, administrative conferences, marketing, and research on general or client industry trends).

II. Costs/Disbursements

The Bank will reimburse the Law Firm for actually incurred out-of-pocket costs with no mark-up, provided those costs are reasonable and comply with the guidelines set forth below. The Bank expects the Lead Outside Attorney to use his/her best efforts to minimize reimbursable out-of-pocket costs both by avoiding unnecessary expenditures and by taking advantage of volume discounts and bulk arrangements that may be available and passed along to the Bank. Significant expense items may not be incurred without the prior approval of the Lead Bank Attorney.

- A. ***Travel and Accommodations:*** The Bank expects the Law Firm to avoid unnecessary travel through such alternatives as teleconferencing and video conferencing.
 1. ***Airfare, Rail and Car Rental:*** Only the lowest logical airfare, including non-refundable fares, and mid-size rental cars will be reimbursed. Travel must be confirmed in coach class for all domestic flights. Business Class, when available, is authorized for international flights to all transatlantic and transpacific destinations. In the event that Business Class is unavailable, international travelers should be confirmed in Coach Class and waitlisted for Business Class. The Lead Bank Attorney must approve all transatlantic or transpacific flights prior to the Law Firm booking a reservation.

Coach class tickets should be purchased for all intra-region rail service.

The Law Firm should rent automobiles that are considered standard, intermediate or full size, not those in the rental agency's "premium" or "luxury" categories. The Bank will not reimburse for gasoline charges, excluding pre-payment options, related to rental cars returned without a full tank of gas. Any form of luxury transportation will require prior approval by the Lead Bank Attorney.

The Bank often can obtain substantial discounts for certain travel expenses, so the Law Firm should initially consult with the Business Manager about travel arrangements.

2. ***Meals and Accommodations:*** While traveling on Bank business, the Bank expects the Law Firm to use good judgment in selecting hotels and restaurants that are reasonably priced. Premium accommodations are discouraged. The Bank will not pay for hotel cancellation fees where the Law Firm did not receive explicit instructions from the Lead Bank Attorney to change his or her plans, thus incurring the charge. Personal incidental costs, including but not limited to laundry, dry-cleaning, health and beauty supplies and technology adapters, incurred while working on the Bank's matters may not be charged. The Bank generally will not reimburse for meals, snacks or other incidental costs for the Law Firm's timekeepers when they are working in their normal office location (e.g. business meals, late night meals, lunch or dinner cost).
 3. ***Local Transportation:*** In general, the Bank will reimburse the Law Firm for local travel including, but not limited to taxi, mass transit, parking, mileage and tolls for meetings with co-counsel or Bank's associates. Private car service use for in-town trips is discouraged. Transportation to and from home to office is not considered local transportation, even if the professional is working beyond normal business hours, and will not be reimbursed.
- B. ***Overhead Costs:*** The Bank considers such costs as rent, HVAC, office supplies, office equipment, software, books, computerized legal research, document scanning, PACER, and word and document processing to be part of the Law Firm's non-reimbursable overhead.
- C. ***Internal Services***
1. ***Photocopying:*** The Bank will reimburse the Law Firm for necessary photocopying at the firm's actual annualized per-copy rate or eight cents per page (\$0.08/page), whichever is lower. The Bank discourages the use of color copies, but if it is deemed necessary, the Bank will reimburse twenty cents (\$0.20) for each color copy. The invoice must include the number of photocopies or units as well as the total costs.

2. **Telephone and Fax:** The Bank will not pay for telecommunication charges including the following: toll charges for outgoing or incoming faxes or cellular calls; internet meeting charges; conference calls; local, long distance or international calls. Where video conferencing is required, the Law Firm should either use the Bank's services or invoice the Bank for the actual cost of the service.
3. **Document Delivery:** The Bank expects the Law Firm to utilize the most economical form of transmission or delivery mechanism consistent with the urgency of the matter. Electronic transfer of documents via email is preferred and encouraged. The Law Firm shall not send documents by overnight courier or facsimile, unless e-mail transmission is not available and the issue is urgent. The Bank will reimburse the Law Firm only for the actual charges billed to the Law Firm for deliveries (including overnight express). If available, the Law Firm should use and make available to the Bank the Law Firms' e-room or like Internet repository of pleadings, orders and other legal documents.
4. **Filing and Hosting Services:** The Bank will not pay for storage fees for physical documents or hosting fees for electronic documents. The Lead Bank Attorney should contact the Business Manager to identify a cost effective solution if the Law Firm costs related to either if these charges become significant.
5. **Administrative Charges:** The Bank will not reimburse administrative charges that are calculated as a percentage of total fees or any other calculation that is not tied directly to the individual who expended the effort.

III. Invoices

- A. **Review:** The Bank will undertake the review and processing of invoices within a reasonable period of time after they are received. The Bank will not pay interest charges, late fees or other costs associated with aging legal invoices. The Bank may deduct from the invoice amounts that are not in compliance with these guidelines or require the Law Firm to submit a corrected invoice to address such issues. Credits arising from an invoice that has been paid should be reflected in the next invoice.
- B. **Submission:** All invoices must ordinarily be submitted monthly and within 30 days of the end of the previous month. For matters that involve a closing of a transaction, the final bill for services shall be presented prior to the closing of the Matter.
- C. **Invoice Follow-Up and Payment:** The Law Firm should direct all questions regarding the status of invoices and payments to the Business Manager.

- D. **Payments:** To the extent possible, the Bank requests that the Law Firm accept payment at a single bank account for electronic transfers.
- E. **Form of Detailed Invoice:** Invoices must contain the detail set forth below. **Invoices submitted that do not meet all of the following criteria will be returned to the Lead Outside Attorney for revision and resubmission.**
1. Each invoice must be matter specific and include the Bank's matter ID, the matter name and the name of the Lead Bank Attorney. Invoices without the Bank matter ID will not be paid and will be returned to the Law Firm for resubmission;
 2. Each matter is to be billed separately. Invoices that include time or costs for more than one matter will be returned to the Lead Outside Attorney for revision and resubmission;
 3. Each invoice is required to have a firm-generated unique invoice number.
 4. Each invoice must include "inception to date" fees and expenses;
 5. The invoice must include a summary table that includes the timekeepers' name, level, rate, hours billed, and amount billed (hours multiplied by rate);
 6. All time must be billed in units of 1/10 of an hour increments;
 7. Fees must be itemized by date, activity performed, identity of the timekeeper performing the activity, amount of time per activity, and amount charged for each activity;
 8. UTBMS codes are required for expenses and optional for fees;
 9. Costs should likewise be itemized by date, activity, unit cost, and timekeeper who incurred the cost;
 10. Alternative billing arrangements should be invoiced consistent with the terms of the engagement and include a timekeeper summary of hours by period, as noted above, to monitor fees incurred as the matter progresses; and
 11. All discounts must be clearly stated in a single line item as a reduction of total fees.

Exhibit C: Up-the-Ladder Reporting Procedure

Revised September 5, 2007

APPENDIX 3
to
OPERATING BULLETIN NO. 38**Subject: Up the Ladder Reporting Policy for Attorneys in the Legal Group****Introduction**

This policy was adopted as a result of the Sarbanes-Oxley legislation and the U.S. Securities and Exchange Commission regulations implementing it for any issuer of publicly traded securities. While the Bank is not an issuer covered by this law, the Bank has chosen to follow it.

Policy

1. Attorneys in the Legal Group are responsible for "up the ladder" reporting whenever an attorney believes that the Bank, or one of its officers or employees, has committed a material violation of any state or Federal law, or of fiduciary duty (hereafter referred to as a "material violation").
2. An attorney who suspects any material violation ("the Reporting Attorney") should bring the matter to the General Counsel's attention or if the chief legal officer is implicated, to the attention of the Bank's President.
3. Alternatively, the Reporting Attorney may bring the suspected material violation to his or her supervising attorney. A supervising attorney who receives such a report should bring it to the General Counsel or the President's attention.
4. Within ten business days from the time a report is received by the General Counsel or the Bank's President, the Reporting Attorney will be informed as to the action, if any, that will be taken. If an investigation is needed, the Reporting Attorney will be informed of the commencement of an investigation within the 10 business day period. When the investigation is completed, the Reporting Attorney will be informed of its principal findings and the action, if any, that will be taken.
5. If, after making the initial report to the General Counsel or the Bank's President, the Reporting Attorney does not receive a response believed to be appropriate within the given time period, or if, after receiving information about the action to be taken, if any, the Reporting Attorney believes it is not sufficient to remedy the material violation, then the Reporting Attorney is required to inform the Auditing Committee of the Board of Directors of that opinion.

Policy Against Fraud, Waste & Abuse

6. If the Reporting Attorney believes that any investigation is taking too much time, periodic updates can be provided. If timeliness of the action is a concern to the Reporting Attorney, the Auditing Committee should be informed of the concern.
7. Communication with the Auditing Committee should be by memorandum, addressed to the Chairman of the Auditing Committee. It should state that it is an "Up the Ladder" report, and the reasons underlying the opinion.
8. No action will be taken against any person for complying with this procedure. It is violation of Bank policy to harass or retaliate against someone who is reporting a perceived wrong.
9. An attorney's failure to make such a report is a violation of policy.

Exhibit D: Bank's Code of Conduct (selected provisions)**CODE OF CONDUCT****1. Basic Obligation**

It is indispensable to the proper functioning of, and the maintenance of public confidence in, the Federal Reserve Bank of New York ("Bank") and the Federal Reserve System ("System") that every employee perform his or her duties with honesty, integrity and impartiality, and without improper preferential treatment of any person. Each employee has a responsibility to the Bank and to the System to avoid conduct which places private gain above his or her duties to the Bank, which gives rise to an actual or apparent conflict of interest, or which might result in a question being raised regarding the independence of the employee's judgment or the employee's ability to perform the duties of his or her position satisfactorily. Each employee should conduct his or her financial affairs with integrity and honesty. To ensure the foregoing, each employee, including all Bank officers, shall respect and comply with the principles and standards of conduct contained in this Code. An employee who needs assistance in interpreting the provisions of the Code or who desires additional information should contact the Bank's Ethics Officer.

3.2 Bank Information

Bank information should be released or used only as authorized by Bank policy. Bank examination and other bank or bank holding company supervisory information is the property of the Board of Governors of the Federal Reserve System ("Board") and may be disclosed only in accordance with Board procedures.

Information maintained as fiscal agent for any federal agency may be disclosed only in accordance with that agency's procedures.

In the course of working at the Bank, an employee may have access to non-public information. Non-public information is information that the employee knows, or reasonably should know and:

- (a) Has not been made available to the general public.
- (b) Is designated as confidential, private or proprietary.
- (c) Is routinely treated by the Bank as confidential.

This may include information related to the Bank, the System, the Federal Open Market Committee ("FOMC"), or another person or institution (such as a banking organization, a vendor, an employee or former employee of the Bank, or a federal agency). An employee must strictly preserve the confidentiality of such information. It can be disclosed only as required for Bank purposes and only as authorized.

5. Conflicts of Interest**5.1 General Standard**

An employee should avoid any situation that might give rise to an actual conflict of interest or even the appearance of a conflict of interest. An employee who routinely represents the Bank in dealing with the public must be particularly careful in this regard. Where the circumstances might cause a reasonable person to question the employee's impartiality or otherwise give rise to an appearance of a conflict of interest, the employee should not participate in a matter unless he or she has informed the Bank of the situation and received authorization from the Bank's Ethics Officer.

5.2 Statutory Prohibition on Conflicts

A. *Background.* The rules in this section are derived from provisions of the federal criminal conflict of interest statute and related regulations. Key portions of the regulations, modified as appropriate for the Bank's use, are contained in Appendix A and are part of this Code. In light of the serious consequences of violating this criminal statute, each employee is strongly urged to read Appendix A in its entirety. An employee who has any questions about the prohibitions contained in this section should contact the Bank's Ethics Officer.

B. *General Statutory Prohibition.* Notwithstanding the provisions of Section 5.3 (B), an employee may not participate personally and substantially in an official capacity in any particular matter in which, to the employee's knowledge, the employee or certain related parties listed in Section 5.2 (C) have a financial interest if the particular matter will have a direct and predictable effect on that interest. Participation in a particular matter includes making a decision or recommendation, providing advice, or taking part in an investigation.

C. *Imputed Interests.* The financial interests of the following individuals and entities are imputed to the employee and will disqualify the employee from participating in a matter:

- (1) The employee's spouse.
- (2) The employee's minor children.
- (3) The employee's general partner(s).
- (4) An organization or entity for which the employee is an officer, director, trustee, general partner or employee (regardless of the nonprofit status of the organization or whether the employee is paid).
- (5) A person or entity with whom the employee is negotiating for employment or has an arrangement concerning prospective employment. (See Section 6 for more detail.)

D. *Particular Matter.* The term "particular matter" includes a supervisory matter involving a depository institution or its affiliate, rule making that is focused on a discrete class, an application, enforcement action, examination, request for ruling or other determination, an acquisition or sale (e.g., securities, foreign exchange or real estate), formation of contracts, and the provision of priced and non-priced services.

E. *Direct and Predictable Effect.* In order for a particular matter to have a direct effect on a financial interest, there must be a close causal link between any decision or action to be taken in the matter and any expected effect of the matter on the financial interest. An effect may be direct even though it does not occur immediately. A particular matter that has an effect on a financial interest only as a consequence of its effect on the general economy does not have a direct effect within the meaning of this rule. A matter will have a predictable effect on a financial interest if there is a real, as opposed to a speculative, possibility that the particular matter will affect the financial interest.

F. *Exempt Financial Interests.* Under regulations issued by the Office of Government Ethics ("OGE"), which are set forth in part in Appendix A, a number of financial interests are exempt, and therefore, an employee may participate in a particular matter that will affect those interests.

1. The following interests are exempt:

- (a) Investments held through a diversified non-sector mutual fund or unit investment trust.
- (b) An employee's interest in any System retirement and/or thrift plan.

(c) Short-term federal government securities (maturity of one year or less) and US Savings Bonds.

2. The OGE regulations also provide additional exemptions relating to financial interests:

(a) In certain employee benefit plans.

(b) In publicly traded securities, municipal securities, sector mutual funds, and long-term federal government securities where the aggregate fair market value of the securities owned by the employee and his or her spouse and any minor child is below a certain amount.

(c) Of certain tax-exempt organizations whose interests are imputed to the employee because of his or her association with the organization.

(d) Of an employee's general partner.

The OGE regulations also provide for exemptions in addition to those summarized in this Section. The primary exemptions for the various financial interests, which are set forth in Part II of Appendix A, are complex. An employee who has such an interest or to whom such an interest is imputed from a family member or other related person should carefully read Part II of Appendix A to see whether his or her participation in a particular matter affecting the interest is allowable.

G. Individual Waiver. An employee who would otherwise be disqualified may participate in a particular matter if he or she receives a written waiver prior to participating in the matter. If you want to request a waiver, you should consult the Bank's Ethics Officer.

5.4 Gifts, Meals, and Entertainment from Outsiders

A. Gifts, Meals, and Entertainment.

1. General Prohibition. Except as permitted below, an employee may not solicit or accept, directly or indirectly, any gift, meal, favor, service, entertainment or other thing of monetary value ("gift") from a person or institution that does, or seeks to do, business with the Bank or is supervised by the System, or has interests that are substantially affected by the employee's duties at the Bank ("covered sources"), or from an organization, a majority of whose members are covered sources. A gift received by an employee's spouse or child, or given to a person or entity at the specific direction of the employee, is considered to be received by the employee.

An employee who is offered a prohibited gift should decline to accept it. If an employee receives a prohibited gift, arrangements should be made to return or dispose of the gift, and the source should be advised of the Bank's policy.

2. Exceptions. (a) A gift that otherwise would be prohibited is permitted if the employee clearly can establish that the gift:

(i) Has a de minimis market value (i.e., \$20 or less), provided the number of times the employee has received a de minimis gift from the same covered source is infrequent.

(ii) Is a reduced or waived admission fee to attend, or a meal provided in connection with, a widely attended conference or gathering which is in furtherance of the employee's duties at the Bank.

(iii) Is given or offered under circumstances that indicate it is motivated by a personal relationship that exists independently of his or her employment with the Bank.

(iv) Results from his or her spouse's employment and has not been offered or enhanced because of the employee's position with the Bank.

(v) Results from his or her outside employment or business activities and has not been offered or enhanced because of the employee's position with the Bank.

- (vi) Is a meal provided in connection with a charitable or civic function or organization in which the employee is a participant.
- (vii) Is a meal authorized in writing in advance by the Bank's Ethics Officer based on a determination that:
 - (a) Special circumstances exist which make the acceptance of the meal appropriate in furtherance of Bank business.
 - (b) Payment by the employee is not feasible.
 - (c) Acceptance of the meal will not create a conflict of interest; or
- (viii) Is a discount or benefit available to the general public and is not offered to the employee or enhanced because of his or her employment with the Bank.

Even when permissible under an exception listed above, an employee always may decline a gift offered by a covered source. (b) With the Bank's prior approval, an employee may accept a bona fide award given for achievement, provided that:

- (i) The award is made as part of an established program of recognition under which awards have been made on a regular basis or which is funded, wholly or in part, to ensure its continuation on a regular basis.
- (ii) The program selects recipients pursuant to established standards.

B. Examiners. The exceptions described in Section 5.4 (A) (2) do not apply to a gift or a meal offered to an examiner by an institution that the examiner examines, has examined or has authority to examine. Furthermore, an examiner may never accept a meal or gift pursuant to the de minimis exception of Section 5.4 (A) (2) (a) from an institution for which the System is the primary federal regulator. An examiner should consult Appendix B, Part I, paragraph 4.

C. Gift from Foreign Governmental Source. An employee may not accept a gift from a foreign government, including a foreign central bank, unless the gift is valued at \$305 or less and is offered and received as a souvenir or mark of courtesy. An employee may accept a gift from a foreign government valued above \$305 under certain limited circumstances. An employee should consult with the Bank's Ethics Officer to determine whether the employee may accept such a gift.

D. Treasury Borrowing Advisory Committee. An employee may not accept any gift from the Treasury Borrowing Advisory Committee of the Public Securities Association or any member of the advisory committee.

6. Seeking Other Employment

An employee is prohibited from personally and substantially participating in an official capacity in any matter that will have a direct and predictable effect upon the financial interest of any entity with which the employee is seeking employment or has an arrangement for future employment. Under some circumstances such participation may violate the federal criminal conflict of interest statute. Refer to Part III of Appendix A for more information on this prohibition. The following examples illustrate when an employee is seeking employment for purposes of this prohibition.

MATTER AMENDMENT FORM

Federal Reserve Bank of
New York
33 Liberty Street
New York, NY 10045
(212) 720-5000



Instructions:

- All editable fields are shown in grey.
- Triple-click to edit the entire field, over-writing all existing text.
- Double click to edit existing text.
- Press Tab to quickly advance to the next field.

Matter Amendments:

- Amendments (when applicable) must be received with each invoice

General Process:

- A matter amendment approval email will be issued and sent to the email address in Section 1 after the Matter Amendment Form has been sent to the Bank and reviewed by the Lead Bank Attorney.
- Questions related to data requirements should be addressed to Yvonne Solomon, Matter Intake Coordinator.

Matter Amendments

Section 1: Law Firm Details:

Law Firm Name: Sidley Austin LLP

Lead Outside Attorney Name:

Lead Outside Attorney Email:

Section 2: Client Details

Lead Bank Attorney:

Section 3: Matter Specific Details

Matter Name: TALF 1.0

Matter ID: 41387-30040

Matter Description: Periodic advice regarding TALF 1.0 Program (subject to April 13, 2009 Retainer Letter).

Approximate End Date: 12/31/2009

Section 4: Matter Amendments

Revised Current Year Budget: N/A
(in US \$)

Budget Revision Justification:

Time Keeper List

Instructions:

- Complete all fields for each time keeper, one time keeper per row
- Updates (when applicable) must be received with each invoice
- Send questions to Yvonne Solomon, Matter Intake Coordinator

TKPR Name (Last Name, First Initial)	TKPR Level	TKPR Standard Hourly Rate	TKPR Discounted Hourly Rate	TKPR Role / Expertise	TKPR Anticipated Hourly Effort	TKPR Add/Delete	TKPR Add / Delete Date	Add/Delete Justification
	Partner		786.25			No Change	4/17/2009	
	Partner		786.25			No Change	4/17/2009	
	Partner		765			Add	4/24/2009	
	Partner		743.75			Add	4/23/2009	
	Partner		722.5			Add	5/13/2009	
	Partner		701.25			Add	4/14/2009	
	Partner		701.25			Add	4/29/2009	
	Partner		658.75			Add	4/19/2009	
	Partner		624.75			Add	4/15/2009	
	Partner		561			Add	4/21/2009	
	Counsel		531.25			Add	5/12/2009	
	Counsel		488.75			Add	4/29/2009	
	Paralegal		106.25			Add	4/21/2009	

MATTER AMENDMENT FORM

Federal Reserve Bank of
New York
33 Liberty Street
New York, NY 10045
(212) 720-5000



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Matter Amendments

Section 1: Law Firm Details:

Law Firm Name: Sidley Austin LLP

Lead Outside Attorney Name:

Lead Outside Attorney Email:

Section 2: Client Details

Lead Bank Attorney:

Section 3: Matter Specific Details

Matter Name: TALF 2.0

Matter ID: 41387-30020

Matter Description: Advice regarding modification of TALF Program to accommodate new asset class.

Approximate End Date: 12/31/2009

Section 4: Matter Amendments

Revised Current Year Budget: \$1,200,000.00
(in US \$)

Budget Revision Justification: No prior budget



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787 SEVENTH AVENUE
NEW YORK, NY 10019
(212) 839 5300
(212) 839 5599 FAX

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SHANGHAI
SINGAPORE
SYDNEY
TOKYO
WASHINGTON, D.C.

July 17, 2009

BlackRock Financial Management, Inc.
40 East 52nd Street
New York, NY 10022

Re: Engagement Letter Relating to Maiden Lane III LLC

Ladies and Gentlemen:

Introduction. This letter confirms and further memorializes the terms of your engagement of us in certain matters described below relating to Maiden Lane III LLC (“ML III”). More specifically, a matter is covered by this letter only if our fees and expenses are expected to be paid by ML III (and not by you). You have been appointed the Investment Manager of ML III by the Federal Reserve Bank of New York (“FRB-NY”), as Controlling Party of ML III.

If applicable, this letter applies to any engagement in a matter before the date of this letter. This letter consolidates terms of engagement agreed in October 2008 and January 2009.

We submit for your confirmation the following provisions governing our engagement. If you are in agreement, please sign a copy of this letter in the space provided below. If you have any questions about these provisions, or if you would like to discuss possible modifications, please do not hesitate to call. We are pleased to have the opportunity to serve you.

Client; Scope of Representation. Our client in the matters covered by this letter will be BlackRock Financial Management, Inc. (“you” or the “Client”). Sidley Austin LLP (“we” or “Sidley”) will advise you in connection with, and the scope of our engagement and duties to you shall relate solely to, your engagement by FRB-NY as Investment Manager of ML III (the “representation”). You may limit or expand the scope of our representation from time to time, but any substantial expansion must be agreed to by us. In connection with representing you, we will advocate for the interests of FRB-NY in line with your role as Investment Manager of ML III.

Term of Engagement; Retention Etc. of Documents. Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable

rules of professional responsibility. If we terminate the engagement, we will take such steps as are reasonably practicable to protect your interests in the above matters.

Unless previously terminated, our representation of the Client will terminate upon our sending you our final statement for services rendered. Following such termination, any otherwise nonpublic information that you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional responsibility. If, upon such termination, you wish to have any documents delivered to you, please advise us. Otherwise, all such documents will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents retained by us. Sidley's applicable policies with respect to privacy, data protection and information security relating to personal information can be accessed on our website at <http://www.sidley.com/admin/onlineprivacy.asp>.

You are engaging Sidley to provide legal services in connection with the specific representation as set forth above. After completion of the representation, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you actually engage us after the completion of the representation to provide additional advice on issues arising from the representation, Sidley has no continuing obligation to advise you with respect to future legal developments.

Confidentiality and Publicity. Sidley shall hold in strictest confidence all information relating to this representation and any information that may be acquired in connection with or as a result of performing services under this representation. During the term of this representation and at any time thereafter, Sidley, its employees and agents shall not publish, communicate, divulge, disclose or use any information that has been designated by the Client or FRB-NY as proprietary or confidential or that is not contained in the Client's or FRB-NY's published literature or not generally known outside the Client or FRB-NY without the Client's prior written consent. If confidential information is disclosed, the parties shall take all reasonable measures, agreed to by the Client and Sidley, to recover the information and prevent further disclosure.

Except as may be agreed to by the Client, Sidley shall not refer to the Client or FRB-NY in any publication or advertisement and shall not publicize in any way its role with respect to this engagement.

Fees and Expenses. Our fees relating to the representation will be based primarily on the billing rate for each attorney, legal assistant and litigation support person (as well as any other relevant timekeeper), as applicable, devoting time to the representation. We have advised you about the ranges of billing rates for such timekeepers in our United States offices. These billing rates are subject to change from time to time. Other factors may be taken into consideration in determining our fees, including the responsibility assumed, the novelty and difficulty of the legal problem involved (including particular experience or expertise provided), time limitations imposed by the representation, the benefit resulting to ML III or FRB-NY and any unforeseen circumstances arising in the course of the representation.

We understand that FRB-NY has requested that we extend to ML III a minimum 15% discount off our standard 2009 billing rates and that FRB-NY is receptive to our proposals as to how best to deliver on this request.

We will include on our bills charges for performing services such as document reproduction, messenger and overnight courier service, computerized research, travel, long-distance telephone, facsimile and telecopy, document processing, and search and filing fees. Fees and expenses of others (such as outside experts, consultants, other non-legal professionals and local co-counsel) generally will not be paid by us, but will be billed directly. More detailed information with respect to our expense recovery policies and procedures, which are an integral part of our agreement with you as reflected in this letter, can be accessed on our website at <http://www.sidley.com/costrecoverypolicy/us/>. These policies and procedures take into account, among other things, a number of special programs that we have entered into with certain of our vendors and independent service providers.

Conflicts. As you know, Sidley has numerous clients. Many of these clients rely upon us for general representation. Although we hope that it never happens, it is possible that an adverse relationship may develop in the future between you and one of our other clients. Even if we are not representing you in that matter and the matter in which you and another client have adverse interests is not substantially related to our representation of you as described above, we agree that we will comply with the existing conflicts procedures in effect between you and us.

Arbitration. While we hope that it never occurs, occasionally disputes arise concerning the fees or disbursements that are owed to a lawyer by the client. Under New York law, where such a dispute involves a sum between \$1,000 and \$50,000, you have, with certain exceptions set forth in the relevant rule, the right to submit such dispute to arbitration in certain circumstances.

Once again, we are pleased to have this opportunity to work with you. If you have any questions or comments during the course of our representation, please feel free to contact us.

Very truly yours,

AGREED AND ACCEPTED:

BlackRock Financial Management, Inc.

By: _____
Name:
Title:

cc: Federal Reserve Bank of New York