FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

VICE PRESIDENT

March 2, 2021

VIA E-MAIL

Pacific Investment Management Company LLC
650 Newport Center Drive
Newport Beach, CA 92660
Attention:
Telephone:
Email:

Subject: TALF Collateral Monitor Agreement, Schedule C

Dear :

Reference is made to the Collateral Monitor Agreement between TALF II LLC ("TALF II") and Pacific Investment Management Company LLC ("PIMCO"), dated May 21, 2020 (as amended, restated, or otherwise modified from time to time, the "Agreement").

Pursuant to Section 8.1 of the Agreement, the Federal Reserve Bank of New York, as managing member of TALF II ("Managing Member"), is entitled to amend Schedule C to the Agreement by written notice. Attached as Attachment 1 to this letter is an amended Schedule C, effective as of the date hereof, to replace the original Schedule C to the Agreement.

Except as modified hereby, the terms and conditions of the Agreement remain unchanged and in full force and effect.

T 212.720.5000 | F 212.720.6767 | E | W www.newyorkfed.org

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Please let me know if you have any questions regarding the foregoing.

Very truly yours,

FEDERAL RESERVE BANK OF NEW YORK,
as Managing Member

By:

Vice President

Attachment



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**ATTACHMENT 1**

## SCHEDULE C

**Criteria for Written Instructions from the Company**

A Written Instruction shall constitute a valid instruction of the Company if it is given by one of the authorized signatories set forth below. This Schedule C may be amended from time to time by FRBNY, in its capacity as managing member of the Company, in its sole discretion upon written notice to the Collateral Monitor.

Officer, Markets
Phone:
Email:

Vice President, Risk
Phone:
Email:

Senior Vice President, Markets
Phone:
Email:

Officer, Markets
Phone:
Email:



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# COLLATERAL MONITOR AGREEMENT

This COLLATERAL MONITOR AGREEMENT (this "Agreement") dated May 21, 2020 (the "Effective Date") is made between Pacific Investment Management Company LLC (the "Collateral Monitor") and TALF II LLC (the "Company").

## RECITALS

A. On March 23, 2020, the Board of Governors established the Term Asset-Backed Securities Loan Facility ("TALF") under section 13(3) of the Federal Reserve Act to help meet the credit needs of consumers and businesses by facilitating the issuance of asset-backed securities and improving the market conditions for asset-backed securities more generally by making up to $100 billion of loans available using financing provided by FRBNY.

B. FRBNY has established the Company for the purpose of acting as lender in connection with loans to be made under the TALF (the Company in such capacity, the "TALF Lender").

C. The Company, in its capacity as the TALF Lender, Custodian, Administrator, and the other parties thereto intend to enter into a certain Master Loan and Security Agreement (as executed and as, thereafter, may be amended, restated, supplemented or otherwise modified from time to time, the "MLSA") pursuant to which certain parties (the "TALF Borrowers") will obtain loans and agree to pledge to the Company the Borrower Collateral (as defined below) in order to secure the repayment of their Obligations in respect of such Loans (the Company, as secured party, "TALF Secured Party").

D. The Company, as borrower, and FRBNY, as lender (FRBNY in such capacity, the "FRBNY Lender"), intend to enter into a certain Credit Agreement (as executed and as, thereafter, may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), and the Company will grant a lien on substantially all of its assets (including all Borrower Collateral) pursuant to a related Security Agreement to be entered into by and between the Company and the FRBNY Lender (as executed and as, thereafter, may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") and in connection therewith will enter into a certain Control Agreement (as executed and as, thereafter, may be amended, restated, supplemented or otherwise modified from time to time, the "Control Agreement") among Custodian, as securities intermediary, the Company, as account and securities entitlement holder, and the FRBNY Lender, as secured party (in such capacity, "FRBNY Secured Party").

E. FRBNY serves as sole managing member of the Company and, as such, has all requisite authority to appoint and direct the Collateral Monitor to provide certain advisory, analytical, reporting, and valuation services in connection with TALF, and the Collateral Monitor is willing to provide such services on the terms and subject to the conditions set forth below.

Accordingly, in consideration of the promises exchanged in this Agreement, the parties agree as follows:



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## ARTICLE I
## DEFINITIONS; INTERPRETIVE PRINCIPLES

Section 1.1 Definitions.

Whenever used in this Agreement, the following words shall have the meanings set forth below:

"ABS": Asset-backed securities, whether in the form of pass-through certificates, notes, bonds, participation certificates or other instruments. For the avoidance of doubt, the term "ABS" refers to the following: securitizations backed by private student loans, auto loans and leases, consumer and corporate credit card receivables, equipment loans and leases, floorplan loans, premium finance loans, certain small business loans guaranteed by the United States Small Business Administration, leveraged loans, and commercial mortgages. "Agreement": As defined in the introductory paragraph hereto.

"Asset Class": Eligible ABS backed by a particular type of Underlying Receivable according to classifications as may be specified by the Board of Governors and the Secretary of the Treasury from time to time.

"Board of Governors": The Board of Governors of the Federal Reserve System.

"Business Day": Any day on which FRBNY is open for conducting all or substantially all its banking functions.

"Confidential Information": As defined in Section 5.1(b).

"Collateral Monitor": As defined in the introductory paragraph to this Agreement.

"Cooling-off Period": As defined in Section 5.2(f).

"Credit Agreement": As defined in Recital D to this Agreement. The Company intends to post the Credit Agreement, as executed, on the TALF Website.

"CUSIP": An individual Proposed ABS, Portfolio ABS, or Surrendered ABS.

"Custodian": The Bank of New York Mellon, in its capacity as Custodian under the Collateral Custody and Administration Agreement, or any successor in such capacity.

"Effective Date": As defined in the introductory paragraph to this Agreement.

"Eligible ABS": ABS that meets all of the eligibility criteria applicable to "eligible collateral" specified in the TALF Standing Loan Facility Procedures from time to time.

"Federal Reserve Entity": Any of the Board of Governors, FRBNY or another Reserve Bank, the FOMC, and, when a Reserve Bank is acting in its capacity as fiscal agent, the government agencies or other organizations for which the Reserve Bank is acting as fiscal agent.

"FOMC": The Federal Open Market Committee.



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"Foreign Governmental Person": A foreign government, state, or political subdivision thereof (or any agency, department, instrumentality, or enterprise of a foreign government, state, or political subdivision thereof).

"FRBNY": The Federal Reserve Bank of New York.

"Indemnified Party": As defined in Section 4.2(d).

"Indemnifying Party": As defined in Section 4.2(d).

"Key Personnel": As defined in Section 4.16(a).

"Losses": As defined in Section 4.2(b).

"Most-favored nation terms": As defined in Section 3.1(b).

"Officer's Certificate": A certificate signed on behalf of the Collateral Monitor by any chairman, deputy chairman, president, managing director, treasurer, or other senior officer of the Collateral Monitor.

"Other Bank Agreement": As defined in Section 5.1(f).

"Person": An individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other entity of whatever nature.

"Portfolio": The aggregate portfolio of all collateral for all outstanding TALF Loans from time to time.

"Portfolio ABS": Eligible ABS included in the Portfolio at any time.

"Proposed ABS": ABS that one or more prospective borrowers pursuant to TALF have proposed as collateral for a TALF Loan that has become neither a Portfolio ABS nor a Rejected ABS.

"Records": As defined in Section 4.6.

"Rejected ABS": ABS that one or more prospective borrowers pursuant to TALF previously proposed as prospective collateral for a TALF Loan that has definitively been rejected by the Company as eligible collateral under TALF.

"Restricted ABS": As defined in Section 5.2(e).

"Restricted Person": An individual employee or independent contractor of the Collateral Monitor identified by the Collateral Monitor to perform Restricted Services as defined in Schedule D.

"Risk Event": Any event that occurs in the Collateral Monitor's operations, whether related directly to the performance of the Services or otherwise, that in the reasonable opinion of the Collateral Monitor may result in (a) harm to the reputation or operations of FRBNY, another Federal Reserve Entity, or the Company, (b) risk of financial loss to FRNBY, another Federal



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Reserve Entity or the Company, or (c) risk of legal liability for FRBNY, another Federal Reserve Entity, or the Company. Events underlying "Risk Events" may include, without limitation, (i) unplanned and non-routine events in the Collateral Monitor's operations, (ii) external events that affect the Collateral Monitor's business processes or controls, including security breaches, human errors or technological failures or disruptions to the Collateral Monitor's operations, and (iii) misconduct by the Collateral Monitor's officers, directors, employees, or contractors.

"Services": The services described in Schedule A attached to the Agreement, as such schedule may be modified pursuant to Section 2.3.

"Successor Collateral Monitor": As defined in Section 7.1.

"Surrendered ABS": Eligible ABS that previously constituted Portfolio ABS but were surrendered by the related borrowers pursuant to TALF or acquired by the Company following a default under the related TALF Loans.

"System": As defined in Section 5.1(a).

"TALF Loan": A loan made by the Company to a TALF Borrower pursuant to TALF.

"TALF Final Termination Date": The date on which the last of the following occurs: (a) the TALF Termination Date as defined in the TALF Standing Loan Facility Procedures, (b) the Company has ceased making TALF Loans, and (c) all TALF Loans have been fully repaid or the related collateral has become Surrendered ABS and been retired or sold by the Company to a third party.

"TALF Standing Loan Facility Procedures": The terms, conditions, procedures, and other information with respect to TALF and the TALF Loans to be made available under TALF, including eligibility criteria, haircut percentages, interest rates applicable to loans, loan terms, loan reservations provisions, loan subscription dates, and scheduled loan closing dates, all as published and posted to the TALF Website by FRBNY from time to time.

"TALF Website": The website maintained by FRBNY for TALF which, as of the Effective Date, may be accessed at https://www.newyorkfed.org/markets/term-asset-backed-securities-loan-facility.

"Treasury": The United States Department of the Treasury.

"Underlying Receivables": Loans or receivables backing any ABS.

"Written Instructions": Written communications of one or more authorized representatives of the Company that comply with the operational criteria and procedures set forth in Section 8.2 and Schedule C.

Section 1.2 General Interpretive Principles.

Unless the context otherwise clearly requires: (i) the definitions of terms used in the Agreement shall apply equally to the singular and plural forms of the terms defined; (ii) any pronoun shall include the corresponding masculine, feminine, and neuter forms; (iii) the words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation;"



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(iv) the word "will" shall be construed to have the same meaning and effect as the word "shall;" (v) any definition of or reference to any agreement, instrument, or other document shall be construed as referring to such agreement, instrument, or other document as it may from time to time amended, restated, supplemented, or otherwise modified (subject to any restrictions on such amendments, restatements, supplements, or modifications set forth herein); (vi) any reference to any Person shall be construed to include such Person's successors and assigns; (vii) the words "herein," "hereof," and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision of the Agreement; and (viii) all references herein to Articles, Sections, and Schedules shall be construed to refer to Articles and Sections of, and Schedules to, this Agreement.

## ARTICLE II
## APPOINTMENT; SERVICES

Section 2.1 Appointment.

The Company hereby appoints the Collateral Monitor, and the Collateral Monitor hereby accepts such appointment, to act as a collateral monitor with respect to TALF. Unless the context provides otherwise, all references to FRBNY in this Agreement shall refer to FRBNY in its capacity as the Managing Member of, or the Lender to, the Company, as the context requires.

Section 2.2 Term.

The term of this Agreement will commence on the Effective Date and will end on TALF Final Termination Date, unless earlier terminated pursuant to Section 7.1.

Section 2.3 Services.

(a) The Collateral Monitor will perform the Services during the term of this Agreement.

(b) The Company may determine from time to time in its sole discretion to change its requirements for collateral monitor services. For the avoidance of doubt, such changes shall include changes made by the Board of Governors and the Treasury to the nature and scope of assets that may be subject to TALF (i.e., changes to TALF eligibility criteria) from and after the Effective Date. In connection with any such determination, the Company may notify the Collateral Monitor of the change in its requirements and request that the Collateral Monitor modify Services accordingly. The Collateral Monitor shall respond to the notice promptly (within the time, if any, specified in the notice), indicating whether or not the Collateral Monitor is willing and capable of performing services that satisfy the changed requirements. The Collateral Monitor shall also describe in its response any change in time, resources, or other terms of performance, including the Collateral Monitor's fees. If the Collateral Monitor is willing and capable of performing the changed services and the Company selects the Collateral Monitor to do so, the Company will issue Written Instructions memorializing the change.

(c) If any modification of Services by the Company as described in Subsection 2.3(b) or any addition of services required pursuant to Section 7.2 results in a change in the cost or time or resources required for the Collateral Monitor's performance under this Agreement, the parties shall negotiate in good faith an equitable adjustment to the price of the service or other terms of



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performance. In such case, the parties shall supplement the Company's Written Instruction with an amendment of this Agreement memorializing any changes in the scope of services and corresponding fees. Unless the parties expressly agree otherwise, any adjustment in the price of services is to be made effective as of the time the Collateral Monitor begins to perform the services, as modified, even if the amendment memorializing the changes is made later.

Section 2.4 Engagement Not Exclusive.

This Agreement and the appointment of the Collateral Monitor are nonexclusive. The Company may from time to time engage additional collateral monitors to perform services for TALF similar to the services to be performed by the Collateral Monitor under this Agreement. The Company may also at any time replace the Collateral Monitor as a provider of some or all of the services to be performed under this Agreement.

## ARTICLE III
## FEES AND EXPENSES

Section 3.1 Fees.

(a) The Company shall pay fees to the Collateral Monitor at the times and in the amounts set forth in Schedule B to this Agreement. Subject to Section 2.3, the Collateral Monitor shall not be entitled to any other compensation in respect of the Services. The Collateral Monitor acknowledges that no guarantee is made regarding any minimum quantity or volume of transactions, assets, business or assignments. The Collateral Monitor shall maintain, and provide to FRBNY upon request, complete and accurate supporting documentation for the amounts billed to and paid by the Company. The Company shall not pay any penalty or unaccrued fees in the event that this Agreement is terminated by the Company or the Collateral Monitor.

(b) The Collateral Monitor certifies to the Company as of the Effective Date that the fees set forth in Schedule B and the other financial terms of this Agreement are at least as favorable to the Company as the fees and financial terms the Collateral Monitor provides to its other clients for services of a nature substantially similar to the Services ("Most-favored nation terms"). Further, the Collateral Monitor shall continue to provide most-favored nation terms to the Company as long as the Collateral Monitor performs services for the Company in respect of TALF.

(i) For purposes of determining most-favored nation terms, substantially similar services means services provided by the Collateral Monitor to other clients whose portfolios (i.e., comparable asset types) and transaction volumes (i.e., average number of transactions during the reporting period) are in the tier most similar to those of the Company. The parties acknowledge that no two client engagements are the same, and the Collateral Monitor and the Company shall meet and agree on a universe of client engagements that the parties will consider to be substantially similar for purposes of this Subsection 3.1(b).

(ii) The Collateral Monitor shall review its fees and other financial terms at the end of each calendar quarter and report to the Company whether or not any adjustment to fees or other financial terms is necessary for the Collateral Monitor to comply



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with its continuing obligations under this Subsection 3.1(b). The Collateral Monitor's Executive Vice President and head of Strategic Markets group shall certify to the Company that each such quarterly report is accurate and complete, and the Collateral Monitor shall enclose with each such report supporting documentation sufficient for the Company to validate the Collateral Monitor's conclusions with respect to any adjustment to fees or other financial terms. The Collateral Monitor shall deliver each such report to the Company not later than the last business day of month immediately following the end of the calendar quarter that is the subject of the report (April, July, October, and January).

(iii) The Collateral Monitor shall respond promptly to any questions the Company has regarding the report. The parties will escalate within their respective management hierarchy any disagreement regarding the implementation of the most-favored nation terms that has not been resolved within thirty (30) days by the parties' primary points of contacts for administration of the most-favored nation terms.

(iv) The Collateral Monitor shall apply any change in fees or other financial terms pursuant to this Subsection 3.1(b) prospectively effective from the first day after the end of the calendar quarter that is the subject of the report.

Section 3.2 Expenses.

The Company will not pay any unapproved out-of-pocket or other expenses incurred by the Collateral Monitor in connection with this Agreement.

Section 3.3 Disputes.

The Collateral Monitor shall invoice the Company in a form and format provided or otherwise agreed by the Company. If the Company disputes all or a portion of any invoice, the Company will pay the undisputed amount. The Company will notify the Collateral Monitor in writing of the specific reason and amount of any dispute. The Collateral Monitor and the Company will work together, in good faith, to resolve any disputes as soon as reasonably practicable, and the Company will pay the amount, if any, agreed to by the parties based on the resolution.

Section 3.4 Additional Compensation.

The Collateral Monitor agrees that it shall not accept compensation from any entity other than the Company in connection with the services provided by the Collateral Monitor under this Agreement.

## ARTICLE IV
## THE COLLATERAL MONITOR

Section 4.1 Standard of Conduct.

The Collateral Monitor shall perform the Services in accordance with the terms and conditions of this Agreement, acting in good faith and exercising reasonable care (a) using a degree of prudence, competence, expertise, skill, and diligence not less than the Collateral Monitor exercises with respect to comparable assets when it performs services similar to the Services for



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itself and for other clients receiving substantially similar services, and (b) in a manner consistent with the customary practices and procedures followed by other asset valuation and management firms of national standing when performing similar services relating to assets of the nature and character of the applicable Asset Classes (whichever is the higher standard). The Collateral Monitor shall use qualified individuals with suitable training, education, experience and skills to perform the Services.

Section 4.2 Limitation on Liability; Indemnification.

(a) The Collateral Monitor shall not be liable to the Company for any cost, expense, liability, or claim arising out of or in connection with the performance by the Collateral Monitor of its obligations under this Agreement, except for those arising out of the Collateral Monitor's breach of any representation, warranty, or covenant herein (including any failure to perform in accordance with the standard of conduct described in Section 4.1) or its gross negligence, fraud, bad faith, or willful misconduct.

(b) The Collateral Monitor shall indemnify and hold harmless FRBNY and the Company and their respective officers, directors, employees, attorneys, and agents from and against any losses, claims, damages or liabilities (including reasonable legal expenses) ("Losses") incurred by or asserted against such person arising out of or in connection with the Collateral Monitor's breach of any representation, warranty, or covenant herein (including any failure to perform in accordance with the standard of conduct described in Section 4.1) or its gross negligence, fraud, bad faith or willful misconduct.

(c) The Company shall indemnify and hold harmless the Collateral Monitor, its affiliates and its and their respective directors, employees, partners, attorneys and agents from and against any Losses incurred by or asserted against such person arising out of or in connection with this Agreement, except for any such Losses arising out of or in connection with any matter for which the Collateral Monitor has an indemnification obligation under subsection (b) of this Section 4.2.

(d) In order to recover under the indemnities described in subsections (b) or (c) of this Section 4.2, the party seeking to be indemnified (the "Indemnified Party"): (i) must provide reasonably prompt notice to the other party (the "Indemnifying Party") of any claim for which indemnification is sought, provided that the failure to give 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 after receiving actual notice of the claim or agree to any settlement without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

(e) The Indemnifying Party may, in its sole discretion, and at its sole expense, control the defense of the claim including, without limitation, designating counsel for the Indemnified Party and controlling all negotiations, litigation, arbitration, settlements, compromises, and appeals of any claim; provided that (i) the Indemnifying Party will inform the Indemnified Party of any settlement offers which are made, and the Indemnifying Party may not agree to any settlement involving any Indemnified Person that contains any element other than the payment of money and complete indemnification of the Indemnified Person without the prior written consent of the affected Indemnified Person, (ii) the Indemnifying Party shall engage and pay the



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expenses of separate counsel for the Indemnified Person to the extent that the interests of the Indemnified Party are in conflict with those of the Indemnifying Party, and (iii) the Indemnified Person shall have the right to approve the counsel designated by the Indemnifying Party, which consent shall not be unreasonably withheld.

Section 4.3 Reliance on Instructions.

The Collateral Monitor is expressly authorized to rely upon any and all instructions, approvals, interpretations, and notices given on behalf of the Managing Member or the Company by any one or more of those persons designated as representatives of the Company whose names appear in Schedule C attached hereto. All such instructions, guidance, approvals, and notices shall be communicated by secure e-mail, telephone (on a recorded line), or otherwise in writing. The Company and FRBNY as the Managing Member may amend such Schedule C from time to time by written notice to the Collateral Monitor. The Collateral Monitor shall continue to rely upon instructions given as provided in this Section 4.3 until notified by FRBNY to the contrary.

Section 4.4 Force Majeure.

The Collateral Monitor shall be responsible for maintaining and preserving its operations, facilities, and systems (including its computer and communication systems) in a manner consistent with commercial and regulatory standards prevalent in its industry. So long as the Collateral Monitor shall have complied with the foregoing maintenance or preservation requirements, and provided that any delay or failure to take such action as may be required under this Agreement could not be prevented by the exercise of reasonable diligence by the Collateral Monitor, the Collateral Monitor shall not be liable for any delay or failure to take any action as may be required under this Agreement solely to the extent that any such delay or failure is caused by an act of God, acts of declared or undeclared war, acts of terrorism, public disorder, rebellion or sabotage, epidemics, pandemics, landslides, lightning, fire, hurricanes, earthquakes, floods, or similar events, or the interruption or suspension of any external communication or power systems. Except to the limited extent expressly provided in the preceding sentence, the Collateral Monitor shall not be relieved from performing its obligations in a timely manner in accordance with the terms of this Agreement, and the Collateral Monitor shall provide the Company with written notice of any material failure or delay resulting from force majeure, to the extent known to Collateral Monitor. The Collateral Monitor shall provide the Company with written notice of any material failure or delay resulting from force majeure, to the extent known to Collateral Monitor. The Collateral Monitor shall make reasonable efforts to mitigate the effect of a force majeure event on the Company, and the Collateral Monitor shall not discriminate against the Company in allocating the Collateral Monitor's resources to maintain and continue its operations.

Section 4.5 Recording of Telephone Conversations.

The Collateral Monitor acknowledges that telephone conversations between personnel of FRBNY and personnel of the Collateral Monitor in connection with the Services may be recorded, and the Collateral Monitor hereby consents to such recording. FRBNY shall disclose the fact that the meeting is being recorded to the Collateral Monitor's representatives. The use of periodic beeps on the recorded line shall satisfy this disclosure obligation of FRBNY.



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Section 4.6 Inspection and Audit Rights.

(a) The Collateral Monitor shall maintain appropriate books of account and records relating to the Services, including all information, materials, and records that come into the Collateral Monitor's possession or that the Collateral Monitor creates in connection with the Services (including appropriate documentation of issues arising under the Collateral Monitor's conflict of interest policies and other policies and procedures referenced in Section 5.2 and Schedule D and documentation evidencing the Collateral Monitor's compliance with the most-favored nation terms set forth in Section 3.1) (collectively, "Records"). The Collateral Monitor shall either (x) retain the Records for as long as it is performing Services and, thereafter, during any period the Company, and FRBNY have the right under this Section 4.6 to audit or review the Collateral Monitor's performance and while any such audit or review remains open, or (y) provide the Records (or copies of the Records) to the Company, or make the Records available for the Company's review, prior to their destruction in accordance with the Collateral Monitor's normal record retention policy.

(b) The Company and FRBNY shall have the right, at any time during the term of this Agreement and for a period of two years thereafter, to audit or review the Collateral Monitor's performance to determine whether the Collateral Monitor is (or was during the term of the Agreement) acting in compliance with all of the requirements of this Agreement. Upon five Business Days' prior written notice to the Collateral Monitor, the Collateral Monitor shall grant access to its premises to FRBNY's employees, agents, and representatives, including its internal auditors and other auditors selected by FRBNY or the Company, to conduct such audit or review. Any such audit or review will be conducted during the Collateral Monitor's normal business hours at the Company's sole expense. The Collateral Monitor will cooperate fully in making its premises, all relevant information related to its performance pursuant to this Agreement, and its personnel available to the Company, FRBNY, and the auditors as is reasonably requested and does not interfere with the Collateral Monitor's performance of its obligations under this Agreement and the conduct of its other business in the ordinary course. FRBNY may share inspection results and audit reports with whomever it deems appropriate. At the Company's request, the Collateral Monitor shall meet with FRBNY to discuss findings of any audit or review and plan of action for the Collateral Monitor to address any finding that any of the Services do not comply with the terms of this Agreement.

(c) At the Company's request, the Collateral Monitor shall also assist the Company in responding to audits and reviews of the Company by its lenders and auditors and by the Treasury and governmental authorities exercising oversight responsibilities under applicable law with respect to the Company; provided that the Collateral Monitor may notify the Company if the Collateral Monitor will incur any costs for which it expects to be reimbursed, and the Company shall reimburse the actual cost of any such expenses then authorized by the Company. The Collateral Monitor will use reasonable efforts to respond to requests for information in connection with any such audit or review of the Company in a timely manner and otherwise consistent with the requirements of the Company's lenders, auditors, or oversight authorities.

Section 4.7 Audit and Review Rights of Others.

In addition to the Company's right to inspect and audit the Collateral Monitor, the Collateral Monitor agrees that, upon five Business Days' prior written notice from the Company, the Board



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of Governors (including the Office of the Inspector General of the Board of Governors) and other governmental authorities that have oversight responsibilities under applicable law may conduct audits and ad-hoc reviews of the services performed by the Collateral Monitor under this Agreement. The Company will use its reasonable efforts to ensure that such audits and ad-hoc reviews are made on a similar basis to the audits and reviews described in Section 4.6.

Section 4.8 Maintenance of Records.

The Collateral Monitor shall keep and retain and make easily accessible all Records. The Collateral Monitor may retain Records in any format, written, electronic, or otherwise, as long as they remain accessible for review and audit as described in Section 4.6. The Collateral Monitor shall not destroy or release any such Records other than in accordance with Section 5.3.

Section 4.9 Technology Systems.

The Collateral Monitor shall maintain and preserve its operations, facilities and systems (including its computer and communication systems) in a manner consistent with commercial and regulatory standards prevalent in its industry, and shall, to the satisfaction of the Company, maintain physical and logical separation of its computer systems. The Collateral Monitor shall at all times maintain a backup technology system.

Section 4.10 Prohibition on Delegation and Subcontracting Without Consent.

The Collateral Monitor shall not delegate or subcontract its duties hereunder to any other Person without the express consent (evidenced by a Written Instruction) of the Company. The Company consents to delegation by the Collateral Monitor of back office services to State Street Investment Manager Solutions, LLC and its affiliates. The Collateral Monitor shall cause any delegate or subcontractor to perform its delegated or subcontracted duties in accordance with the terms of this Agreement, including the provisions of Article V. The Collateral Monitor nonetheless shall remain fully liable hereunder for the performance of delegated or subcontracted duties as if such duties were performed directly by the Collateral Monitor. Moreover, without the express consent (evidenced by a Written Instruction) of the Company, no additional fees shall be imposed on the Company with respect to any such delegated or subcontracted duties, and neither the Company nor FRBNY shall be directly liable to any delegate or subcontractor.

Section 4.11 Cooperation.

The Company expressly authorizes the Collateral Monitor to communicate and otherwise interact as necessary and appropriate in connection with its performance of the Services directly with (a) the Custodian and (b) subject to Section 5.1(c), a financial institution through which a TALF Borrower has requested a TALF Loan and/or an underwriter, arranger, issuer, or sponsor of an ABS.

Section 4.12 Effective Internal Controls.

(a) At the Company's request, the Collateral Monitor shall provide FRBNY (a) documentary evidence to reasonably support the assertion that the Collateral Monitor maintains effective internal controls over financial reporting and information security, e.g., relevant internal controls reports, including System and Organization Controls (SOC), and internal



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compliance assessments, and access to policies and procedures governing the Collateral Monitor's operations as they relate to the performance of Services (including, without limitation, ethics policies and security policies and procedures), and (b) any available internal or third-party reports that confirm compliance by the Collateral Monitor and its affiliates performing services under the Agreement with laws and regulations, including privacy laws and regulations, relevant to the Agreement and the services to be performed. The Collateral Monitor and FRBNY will cooperate to determine at the time of the request the specific nature of such documentation.

(b) The Collateral Monitor shall provide to FRBNY the System and Organization Control 1 ("SOC 1") – Type II reports of the Collateral Monitor and its affiliates with respect to their respective operations and controls relevant to the performance of Services under this Agreement, which reports have been prepared by an accredited independent auditor in accordance with the American Institute of Certified Public Accountants' Statement on Standards for Attestation Engagements (SSAE No. 18) and International Standards of Attestation Engagements No. 3402, or successor standard report ("SOC 1 Reports"). The Collateral Monitor shall provide SOC 1 Reports to FRBNY at least annually. If the Collateral Monitor's SOC 1 Report covers a period other than a calendar year, the Collateral Monitor shall also provide FRBNY a letter signed by a responsible officer of the Collateral Monitor attesting for the period of time from the end of the period covered by the SOC 1 Report through the calendar year in which that end date occurs (the "bridge period") that (i) there have been no material changes to the tested controls during the bridge period; (ii) the control objectives remain in place; and (iii) the controls are operating effectively.

(c) The Collateral Monitor shall provide to FRBNY at least annually documentary evidence satisfactory to the Company and FRBNY demonstrating the security, availability, processing integrity, confidentiality, and privacy of the information and systems relevant to the services provided to the Company, including a SOC 2 reports (or successor standard report) if the Collateral Monitor has undertaken a SOC 2 assessment. Assessments for SOC 2 reports are to have been conducted by an accredited independent auditor.

Section 4.13 Statement as to Compliance.

On or before July 31, 2020, and, thereafter, on or before the end of each calendar quarter, the Collateral Monitor shall deliver to the Company an Officer's Certificate regarding the Collateral Monitor's compliance with the Agreement. In particular, the Officer's Certificate shall state, to the knowledge (upon due inquiry), information and belief of the Collateral Monitor, (a) that the Collateral Monitor is then in compliance with all of its obligations under this Agreement and (b) no Default existed as of a date not more than five days prior to the date of the Officer's Certificate nor at any time prior thereto since the date of the last Officer's Certificate (if any). For purposes of this Section 4.13, "Default" means a failure of the Collateral Monitor to perform any of its obligations under the Agreement or a breach by the Collateral Monitor of any covenant, representation, warranty, or other provision of this Agreement. The Collateral Monitor shall describe in the reasonable detail any noncompliance or Default reported in the Officer's Certificate including its nature, circumstances, and status.



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Section 4.14 Compliance with Laws.

The Collateral Monitor shall provide to the Company at its request and on a confidential basis summaries or copies of its policies and procedures to ensure compliance with laws, including the laws listed in Section 6.1(j). The Collateral Monitor shall also respond to reasonable inquiries from FRBNY's Chief Compliance Officer made to the Collateral Monitor's Chief Compliance Officer with respect to compliance with laws and regulations.

Section 4.15 Business Automation and Models.

The Collateral Monitor will identify technology solutions and processes, including any models, methodologies, and model assumptions and inputs, used by the Collateral Monitor in the performance of Services. The Collateral Monitor will provide FRBNY a list of such technology solutions, processes, and models and, for each model indicate if it is licensed from a third party, developed by the Collateral Monitor, or developed in collaboration with FRBNY. As to each technology solution, process, and model, the Collateral Monitor will provide FRBNY, as applicable: (a) information sufficient for FRBNY to assess the appropriateness of the solution, process, or model for TALF; provided that the Collateral Monitor is not required to disclose to FRBNY proprietary information of third-party licensors to the extent such disclosure would violate the terms of the applicable license, (b) information about the Collateral Monitor's implementation of the solutions, process, and models as they are used in connection with the performance of Services, and (iii) information about the Collateral Monitor's process for assessing and mitigating risks and validating the solutions and processes, which may include evaluations by FRBNY in connection with the development and implementation of models. For each model and/or set of model assumptions and inputs developed by the Collateral Monitor in collaboration with FRBNY, the Collateral Monitor will prepare and deliver to FRBNY documentation that describes the purpose and intended use of the model; its design, assumptions, variables, and data inputs, and the rationale for the choice of model assumptions and inputs; developmental testing undertaken in constructing the model; and the Collateral Monitor's implementation plan for the model. At FRBNY's request, the Collateral Monitor will make available its staff who are knowledgeable about the foregoing for meetings with FRBNY to discuss questions and provide such additional information as may be necessary or useful for FRBNY to assess the solutions, processes, and models as they relate to Services. Information provided by the Collateral Monitor is to be sufficient to enable FRBNY to assess the soundness of each model's analytical framework and appropriateness of its construction and implementation. The Collateral Monitor will cooperate with FRBNY to discuss any findings identified by FRBNY in its review and agree on an appropriate course of action. The Collateral Monitor will notify FRBNY promptly of any changes in the inventory of technology solutions, processes, and models used by the Collateral Monitor in the performance of Services and changes in any of them or the manner of their implementation that, in either case, could be material to Services or FRBNY's review under this Section 4.15.

Section 4.16 Key Personnel and Staffing Replacements.

(a) Schedule F hereto sets forth the Collateral Monitor's key personnel assigned to this engagement ("Key Personnel"). Except when Key Personnel become unavailable for reasons beyond the Collateral Monitor's reasonable control, including, for example, illness, death, or absence due to other personal circumstances, or termination of employment without



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prior notice, the Collateral Monitor shall not replace Key Personnel unless it gives the Company prior written notice and identifies substitute personnel with appropriate skills and experience to perform the responsibilities of the Key Personnel they are replacing. If Key Personnel become unavailable without prior notice to the Company for reasons beyond the Collateral Monitor's reasonable control, the Collateral Monitor shall notify the Company as soon as practicable and identify substitute personnel with appropriate skills and experience to perform the responsibilities of the Key Personnel they are replacing. In either case, the Company and FRBNY shall have the opportunity to undertake the same due diligence with respect to any individual to be assigned as a replacement for Key Personnel. The Collateral Monitor acknowledges and agrees that the loss of Key Personnel does not excuse the Collateral Monitor's performance of Services.

(b) If the Collateral Monitor for any reason replaces any of its personnel performing Services (whether or not the individual is designated as Key Personnel), the Collateral Monitor shall facilitate the transition of responsibility for the affected Services to the replacement personnel in a manner that reasonably minimizes disruption to the Company, FRBNY and TALF, including, without limitation, continuity of Services.

## ARTICLE V
## CONFIDENTIALITY AND CONFLICTS OF INTEREST

Section 5.1 Confidentiality.

(a) The Collateral Monitor acknowledges that (i) FRBNY is part of the Federal Reserve System (the "System"), and the Board of Governors and the Treasury have policy interests in TALF, (ii) perceptions of the deliberations and policies of FRBNY, the Board of Governors, and the Treasury may have an extraordinary influence on securities, financial, and capital markets, and (iii) disclosure of nonpublic information regarding the deliberations and policies of FRBNY, the Board of Governors, or the Treasury would damage the Company, FRBNY, and the System, may impede their achievement of their policy objectives, and may result in instability in such markets.

(b) "Confidential Information" includes all nonpublic information and material that comes into the possession or knowledge of the Collateral Monitor, whether provided directly by the Company, FRBNY, or by any of their agents or service providers, provided by any of the Persons referenced in Section 4.11, or that is otherwise collected, received, or created by the Collateral Monitor in connection with TALF or the performance of this Agreement, including (i) the terms and conditions of this Agreement or other documents relating to the affairs of the Company; (ii) information about business, economic, and policy plans and strategies, assets, trade secrets, business or IT architecture or operations, information systems, applications, the security of any facilities or systems and procedures, policies, and standards of the Company, any Federal Reserve Entity, the Treasury, and the System; (iii) information about deliberations and decisions of the Company, any Federal Reserve Entity, the Treasury, and the System; (iv) reports, briefing material, information, and data, both written and oral, related to TALF, the Services, or this Agreement, and (v) information regarding the size of positions in specific securities held by the Company through TALF and any other nonpublic financial information. For purposes of this Agreement, Confidential Information may be information in the possession or control of FRBNY that belongs to the Company, FRBNY, any other Federal Reserve Entity,



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the Treasury, or any other party with which FRBNY engages in connection with TALF. "Confidential Information" shall not include information that (A) relates to an individual ABS after the information has been filed publicly with the Securities and Exchange Commission or has been made publicly available on a website pursuant to the Rules and Regulations of the Securities and Exchange Commission (but any other information relating to such ABS, such as its presence in the Portfolio, shall nonetheless constitute Confidential Information), (B) is subsequently learned by or communicated to the Collateral Monitor from a third party that, to the knowledge of the Collateral Monitor, is not under an obligation of confidentiality to the Company, any Federal Reserve Entity, or the Treasury, (C) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than the Collateral Monitor in violation of this Agreement, (D) was known to the Collateral Monitor at the time of disclosure, other than from the Company or FRBNY or the Collateral Monitor's provision of Services, or (E) is generated independently by the Collateral Monitor without reference to the Confidential Information.

(c) The Collateral Monitor may use Confidential Information only for the benefit of the Company and as necessary for the Collateral Monitor to administer the Agreement and conduct its operations as they relate to the Agreement. The Collateral Monitor shall not use, or give permission to any other Person to use, Confidential Information for any purpose other than such permitted purposes unless, and then only to the extent, the Company expressly authorizes the Collateral Monitor to do so. Without the Company's prior written consent, the Collateral Monitor shall not disclose Confidential Information to any Person other than (i) those of the Collateral Monitor's director, officers, employees, and independent contractors who have a need to know the Confidential Information to perform the Services, administer the Agreement, or conduct the Collateral Monitor's operations as they relate to the Agreement, (ii) delegates and subcontractors approved by the Company pursuant to Section 4.10 to the extent necessary for them to perform their respective delegated or subcontracted duties, (iii) the Collateral Monitor's attorneys, accountants, and auditors whose professional standards require them to keep in confidence the Confidential Information, and (iv) as expressly permitted in this Agreement.

(d) The Collateral Monitor shall use the same or greater effort to avoid unauthorized use or disclosure of Confidential Information as it employs with respect to its own confidential information. The Collateral Monitor shall implement, maintain, and use appropriate administrative, technical, and physical security measures to protect the Confidential Information. The Collateral Monitor shall inform all Persons to whom it discloses Confidential Information of its confidential nature and the restrictions on its disclosure and use, and the Collateral Monitor shall require each such Person, by means of a written acknowledgement (or as otherwise expressly required or permitted by this Agreement), to keep all such information obtained by them as strictly confidential. The Collateral Monitor shall ensure that its agreements with delegates and subcontractors to be given access to Confidential Information include confidentiality obligations at least as restrictive as those contemplated by this Section 5.1. The Collateral Monitor shall retain all such documentation for as long as it is performing Services under this Agreement or provide the documentation (or copies of such documentation) to the Company prior to its destruction under the Collateral Monitor's normal record retention policy. The Collateral Monitor shall not process or store Confidential Information or allow Confidential Information to be accessed outside the United States without the express written consent of FRBNY.



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(e) The Collateral Monitor may disclose Confidential Information to the Custodian and to any Successor Collateral Monitor, in each case, to the extent necessary for them to perform their respective obligations related to TALF. The Collateral Monitor, if directed in a Written Instruction, may also communicate with a financial institution through which a TALF Borrower has requested a TALF Loan and/or an underwriter, arranger, issuer, or sponsor of an ABS to the extent of the information that this Agreement expressly requires the Collateral Monitor to communicate with such party in performing Services.

(f) Because of the nature and sensitivity of Confidential Information to be used by Restricted Persons, the Collateral Monitor shall ensure that all Restricted Persons (before or when an individual becomes a Restricted Person) also review and execute agreements to adhere to all the restrictions contemplated by this Article V and Schedule D. The Company agrees that individuals who are assigned by the Collateral Monitor to perform services under the Investment Management Agreement, dated as of April 6, 2020, between the CP Funding Facility II LLC and the Collateral Monitor (the "Other Bank Agreement") may be assigned to perform Services as Restricted Persons under this Agreement; provided that such individuals also review and execute the agreements described in the immediately preceding sentence. The Collateral Monitor shall strictly enforce such agreements with all Restricted Persons. Restricted Persons may disclose Confidential Information to personnel who sit atop of the ethical wall or straddle the ethical wall and to the Collateral Monitor's Legal and Compliance staff, in either case on a need-to-know basis subject to the restrictions set forth herein and in the guidelines set forth in Schedule D. The Collateral Monitor agrees that individuals it assigns to be Restricted Persons are subject to FRBNY's security rules and procedures, which may include, without limitation, one or more background investigations when they are assigned or at any time they remain Restricted Persons. Attached as Schedule E to this Agreement is the initial list of Restricted Persons. Upon request, the Collateral Monitor shall deliver to FRBNY a list of the current and former Restricted Persons. Review or acceptance by the Company of any such list shall not constitute a waiver of any of the provisions of this Article V as to any individual identified in such lists.

(g) Notwithstanding Subsection 5.1(c), the Collateral Monitor may disclose Confidential Information to the extent required under applicable law or by valid order of a court or other governmental body having competent jurisdiction, provided that (i) the Collateral Monitor notifies FRBNY's General Counsel promptly if disclosure is requested pursuant to any law, regulation, subpoena, or other legal process and in any event before disclosure becomes required (unless prior notice is expressly prohibited by law), (ii) the Collateral Monitor takes all steps reasonably required to protect the confidentiality of the Confidential Information being disclosed, including, to the extent reasonable to do so and at the expense of the Company (including reasonable legal expenses): (A) entertaining and considering any argument the Company wishes to make that disclosure is not required and/or that such disclosure is in violation of the terms and conditions of this Agreement, and (B) providing the Company with all reasonable assistance in resisting or limiting disclosure, (iii) the Collateral Monitor reasonably cooperates with the Company in its efforts to obtain a protective order or other appropriate remedy at the expense of the Company (including reasonable legal expenses), (iv) if such protective order or other remedy is not obtained, the Collateral Monitor furnishes only that portion of the Confidential Information that it is legally required to disclose and advises the recipient that the Confidential Information is subject to the confidentiality provisions of this Agreement; and (v) the Collateral Monitor exercises its reasonable efforts to cooperate with the



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Company in the Company's efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

(h) The Collateral Monitor shall not, and shall cause Restricted Persons not to, enter into any financial transactions (including purchasing or selling securities and entering into a hedging transactions) on the basis of any Confidential Information.

(i) Without the prior written consent of the Company, the Collateral Monitor will not originate or encourage any news release, public announcement or publication, or any other public written or oral statement relating to any matter arising in connection with this Agreement or concerning, TALF, the Company, or FRBNY. The Collateral Monitor acknowledges that FRBNY may post this Agreement on FRBNY's external website.

Section 5.2 Conflicts of Interest. Without limiting Section 5.1, the Collateral Monitor shall adhere to the following covenants:

(a) The Collateral Monitor shall maintain, and provide to the Company and FRBNY copies of conflicts of interest policies and procedures reasonably designed to accomplish the following, among other things: (i) identify any material conflicts of interest between the Collateral Monitor and the Company, (ii) require reporting of any material conflicts of interest between the Collateral Monitor and the Company that develop during the course of this Agreement, and (iii) prevent the use of Confidential Information to facilitate a trade or transaction unrelated to this Agreement. The Collateral Monitor shall document material conflicts of interest and disclose them to FRBNY as they arise and, at the request of the Company, the Collateral Monitor will recuse itself from the performance of those Services affected by a conflict of interest which FRBNY reasonably determines cannot be adequately addressed otherwise. The Collateral Monitor shall either retain conflict of interest documents or related records as long as it is performing Services or provide such records (or copies of the records) to the Company prior to their destruction under the Collateral Monitor's normal record retention policy. The Collateral Monitor shall maintain a program of periodic training to ensure that persons receiving Confidential Information know their obligations under the Collateral Monitor's conflict of interest policies and procedures and programs designed to ensure compliance with this Agreement and federal securities laws, including contractual restrictions and laws relating to insider trading.

(b) The Collateral Monitor shall also provide FRBNY with (i) a written disclosure of all potential or actual material conflicts of interest between the Company, on the one hand, and itself, its corporate parents, subsidiaries, affiliates, and proposed subcontractors, on the other hand, that may arise during the course of the performance of its obligations under this Agreement, and (ii) a comprehensive mitigation plan for any such potential or actual conflict of interest. Such mitigation plan shall include details concerning the implementation of the plan, including the Collateral Monitor's plan to avoid, mitigate, or neutralize any such conflicts. Potential or actual conflicts of interest include, without limitation, any conflicts that may arise when the Collateral Monitor's managed funds and accounts are or are expected to become borrowers under TALF. The Collateral Monitor agrees that while its managed funds and accounts may become TALF Borrowers, the Collateral Monitor itself will not become a TALF Borrower.



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(c) Ethical Wall - The Collateral Monitor shall maintain, and provide to the Company copies of, information barrier policies and procedures to govern the conduct of its officers, directors, partners, members, independent contractors, and employees in connection with Confidential Information. The Collateral Monitor's information barrier policies must be designed, at a minimum, to ensure, and the Collateral Monitor shall enforce such policies to the effect, that (i) Restricted Persons are adequately segregated when performing Services from personnel involved with the Collateral Monitor's general trading, brokerage, sales, or other activities that might be in conflict with the duty the Collateral Monitor owes to the Company under this Agreement, provided that Restricted Persons need not be segregated from (A) personnel providing services pursuant to the Other Bank Agreement or (B) personnel providing services with respect to the Collateral Monitor's advisory businesses except when performing the Services, and (ii) any information related to the provision of Services is not shared with personnel involved in activities that might be in conflict with the Collateral Monitor's duty to the Company under this Agreement without appropriate vetting and controls being put in place by the Collateral Monitor's legal and compliance departments. The Collateral Monitor shall conduct periodic e-mail surveillance reviews of all persons with access to Confidential Information to ensure compliance with the Collateral Monitor's information barrier policies. The Collateral Monitor shall also conduct periodic reviews of access permissions for all network systems and folders containing Confidential Information. The Collateral Monitor shall either retain records relating to such email reviews for as long as it is performing Services or provide the records (or copies of such records) to the Company prior to their destruction under the Collateral Monitor's normal record retention policy.

(d) Code of Conduct. The Collateral Monitor maintains, and shall keep in place during the term of this Agreement, a Code of Ethics and Code of Business Conduct that sets out basic principles designed to guide employees in the course of their business activities. The Collateral Monitor shall include in its code of conduct, among other things, requirements that all of the Collateral Monitor's employees hold client information as strictly confidential and that they are made aware of, and comply with, all of the Collateral Monitor's policies and procedures and laws and regulations, in each case as applicable to the individual employee's job duties. The Code of Ethics should also restrict employees' personal trading activities where conflicts may arise. In particular, unless an investment is exempt from prior notification, employees must be required to pre-clear investments and be subject to certain blackout and short-term trading restrictions.

(e) The Collateral Monitor shall cause Restricted Persons and any individuals who sit atop of or straddle the ethical wall to be especially vigilant to ensure that discussions with, or advice, guidance, or direction given to, individuals on the other side of the wall is not based on, or influenced by, Confidential Information concerning any Proposed ABS, Rejected ABS, Portfolio ABS, Surrendered ABS, or Eligible ABS (collectively, the "Restricted ABS"). The Collateral Monitor shall cause the implementation of the ethical wall policy of the Collateral Monitor to be reviewed by its internal audit or compliance departments at least once within the first six months of the execution of this Agreement and, thereafter, in accordance with the Collateral Monitor's own review policies (but not less frequently than annually). After completion of each review, the Collateral Monitor shall provide to the Company a report containing the results of the review.



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(f) In addition to the Collateral Monitor's agreements above regarding information barrier policies, the Collateral Monitor agrees that:

(i) it will comply with the Information Barrier and Conflicts of Interest Procedures described in Schedule D in respect of the activities of personnel assigned to perform Services or administer this Agreement;

(ii) it will maintain a list of each of the individuals who has been assigned to perform Services or administer this Agreement and the dates of such assignment and make such list available to the Company for review at the Company's request; and

(iii) it shall implement policies and procedures to ensure that any individual who is a Restricted Person will, during any time before the TALF Termination Date that such individual has access to Confidential Information regarding the Restricted ABS and, thereafter, during the Cooling-off Period (defined below):

A. refrain from (1) advising or consulting in respect of any TALF-related investment decision of the Collateral Monitor, its affiliates, or any of their respective clients or (2) purchasing, or directing any other person to purchase, Restricted ABS on behalf of the Collateral Monitor, its affiliates, or any of their respective clients (in each case, except with respect to performance of the Collateral Monitor's obligations hereunder and under the Other Bank Agreement), and

B. refrain from purchasing for himself or herself the Restricted ABS without prior consultation with the Chief Compliance Officer of FRBNY; provided that, notwithstanding the above, a Restricted Person may own interests as part of a commingled fund or ETF and may continue to hold restricted financial interests acquired prior to such Restricted Person's assignment to perform Services.

For purposes of clause (iii), the "Cooling-off Period" means (x) six weeks after the earlier of (I) TALF Termination Date or (II) the date on which the individual no longer has access to Confidential Information, or (y) such earlier time identified in writing to the Collateral Monitor by FRBNY. Restrictions on use and disclosure of Confidential Information in the memory of Restricted Persons continues, however, beyond the Cooling-off Period until such Confidential Information is released by the Company or otherwise ceases to be Confidential Information. The Company acknowledges that the individuals subject to the restrictions in clause (iii) above shall be permitted to provide advisory, analytical, reporting, or valuation services to other clients of the Collateral Monitor with respect to securities other than Restricted ABS, including providing general market views and market views related to securities other than Restricted ABS, provided that no Confidential Information is disclosed in connection with such activities and such services are not provided in respect of TALF-related investment decisions.

Section 5.3 Duration of Obligation; Destruction or Return.

The Collateral Monitor's obligations concerning Confidential Information shall survive termination or expiration of this Agreement. As requested by the Company, promptly following



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the expiration or termination of this Agreement (subject to the Collateral Monitor's obligations under Section 7.2 of this Agreement) or at any other time, the Collateral Monitor will return or destroy the Confidential Information in its possession or control, provided that notwithstanding such obligation, the Collateral Monitor shall be permitted to retain copies of that Confidential Information which the Collateral Monitor is required to retain by law, rule, or order. Furthermore, the Collateral Monitor shall not be required to expunge Confidential Information stored in archives, tapes, or other materials retained pursuant to regular record keeping policies and that would be impractical to retrieve and destroy outside of normal destruction schedules. To the extent the Collateral Monitor retains any Confidential Information as permitted in this Section 5.3, the information remains subject to all of the confidentiality obligations set forth in this Agreement notwithstanding its termination or expiration. When Confidential Information is destroyed, the Collateral Monitor shall use destruction techniques that prevent the information from being reconstructed or recovered to the extent technically feasible and exercise control or oversight of the process to confirm the destruction was effective and complete. (The parties agree that NIST Special Publication 800-88, Revision 1: Guidelines for Media Sanitization (or successor publications) is an appropriate standard for assessing the sufficiency of destruction techniques.) The Collateral Monitor will, upon request of the Company, certify in writing that it has returned or destroyed Confidential Information in accordance with this Section 5.3. The Collateral Monitor shall also take appropriate steps to sanitize media and equipment on which Confidential Information was processed or stored before such media or equipment is reused, repaired, or disposed of, and to manage the process to confirm that sanitization procedures are effective and information cannot be recovered.

Section 5.4 Disaster Recovery and Business Continuity.

The Collateral Monitor will maintain such disaster recovery and business continuity capabilities as are commercially reasonable and appropriate to maintain the continuity of Services to the Company in the event of a disaster or other disruption. The Company shall be permitted to review the content of the Collateral Monitor's disaster recovery plan and business continuity program with the Collateral Monitor once each year onsite at the Collateral Monitor's facilities or otherwise through appropriate remote meeting arrangements on a mutually agreed date during normal business hours. The Collateral Monitor will not alter its disaster recovery plan or business continuity program in such a way that degrades the level of protection in any material respect with respect to the services to be performed for the Company. The Collateral Monitor shall participate in periodic testing of its business continuity plan with FRBNY, and shall take any necessary remedial action to address any deficiencies identified in testing. The Collateral Monitor shall also periodically test the effectiveness of its business continuity plan (without the participation of FRBNY) and shall report to the Company on the results of such testing.

Section 5.5 Security.

(a) During the term of the Agreement and thereafter as long as the Collateral Monitor retains any Confidential Information, the Collateral Monitor will maintain security procedures that are commercially reasonable and appropriate to safeguard the security of its systems in which it processes and stores Confidential Information. Such information security measures shall include, among other things, physical, technical and administrative safeguards designed to: (i) ensure the security and confidentiality of Confidential Information, (ii) identify potential threats or hazards to the security or integrity of Confidential Information and protect against



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them, (iii) protect against unauthorized access to or use of Confidential Information, and (iv) ensure appropriate disposal of Confidential Information.

(b) The Company (directly or by its representatives, agents, or auditors) shall be permitted to review documentation of the Collateral Monitor's information security policies, standards, and procedures and assessments of the Collateral Monitor's information security (including penetration test results) with the Collateral Monitor once each year onsite at the Collateral Monitor's facilities on a mutually agreed date during normal business hours or remotely subject to reasonable technology arrangements agreed by the Collateral Monitor and the Company. Such review may also include meeting with the Collateral Monitor's personnel for the purpose of obtaining information regarding remediation of security findings.

(c) As a condition to the Collateral Monitor's continued engagement and access to Confidential Information from the Company, the Company may require the Collateral Monitor to respond to FRBNY's Information Security Review Questionnaire. The Collateral Monitor's response, including any attachments and information provided as a follow-up to the initial response, constitute, together, the "Questionnaire Response." FRBNY will conduct its information security review of the Collateral Monitor with reference to the Questionnaire Response. During the term of the Agreement, if and when the Collateral Monitor makes any changes to its information security policies or to systems adversely affecting its information security program such that the Questionnaire Response would no longer be accurate or complete in any material respect, the Collateral Monitor shall promptly notify FRBNY that a change has been made and indicate the nature of the change. The Collateral Monitor shall provide any information FRBNY may reasonably request so that FRBNY may assess the impact of the Collateral Monitor's change on services or the systems that support the Collateral Monitor's performance of Services. At FRBNY's request, the Collateral Monitor shall also update the Questionnaire Response and respond to any new or supplemental information security questions FRBNY may require of its vendors from time to time. The Collateral Monitor shall provide any updated Questionnaire Response and responses to any new or supplemental information security questions to FRBNY promptly after the request (within not more than 10 Business Days). The FRBNY may suspend the Collateral Monitor's provision of services until FRBNY assesses the effect on FRBNY of any additional information or changes to the Collateral Monitor's information security policies or systems affecting information security. The Collateral Monitor shall prepare and review with FRBNY a plan of action and report to FRBNY periodically (on a schedule agreed with FRBNY) about the Collateral Monitor's progress to address any deficiencies identified by FRBNY. If FRBNY believes the plan of action is insufficient and the Collateral Monitor declines to revise it, the parties shall escalate the disagreement through their respective managements for dispute resolution.

Section 5.6 Security Breaches.

(a) If the Collateral Monitor becomes aware that Confidential Information is used or disclosed in any manner not permitted under the Agreement, if the Collateral Monitor is unable to account for any Confidential Information, or if the Collateral Monitor knows any security breach or other incident has occurred that could compromise the security or integrity of any system in which it stores or processes Confidential Information (each, a "Security Breach"), the Collateral Monitor shall notify FRBNY by email and telephone promptly. Such notice is to describe the Security Breach in sufficient detail (accounting for the information then available to



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the Collateral Monitor) for FRBNY to assess its risk. The Collateral Monitor shall send its email notice to FRBNY in accordance with Section 8.2 and/or telephone the primary FRBNY point of contact. The Collateral Monitor shall also maintain a log of all such incidents and either retain such records for as long as it is performing services under this Agreement or provide such records (or copies of such records) to the Company prior to their destruction under the Collateral Monitor's normal record retention policy.

(b) The Collateral Monitor shall take all measures reasonably required to recover information, to mitigate the effects of the unauthorized use or disclosure or loss, to prevent further unauthorized use or disclosure or loss and reoccurrence of a breach of security of that same nature, and to cooperate with the Company and its representatives and agents in any investigation that the other party may undertake relating to the unauthorized use or disclosure or loss. The Collateral Monitor shall keep the Company and FRBNY informed as soon as practicable of developments regarding the Security Breach, including, without limitation, effects being observed in the affected system(s), investigation of the Security Breach and its effects and the root cause, and periodic progress made toward completion of action plans for remediation. The Collateral Monitor shall send FRBNY information about developments in its investigation and remediation activities as directed by FRBNY by email to the address for security incident notices in Section 8.2 and/or by telephone to the primary FRBNY point of contact unless directed otherwise. The Company and FRBNY may share information about any Security Breach with any Federal Reserve Entity and the Treasury as the Company and FRBNY reasonably believe may be adversely impacted by the Security Breach or otherwise have a need to know the information. The Collateral Monitor shall bear the costs of all such measures taken or to be taken by the Collateral Monitor under this Section 5.6.

Section 5.7 Information Received by the Company and FRBNY.

(a) The Company and FRBNY acknowledge that they may receive, in the course of this Agreement, confidential proprietary information concerning the Collateral Monitor, including information evidencing the Collateral Monitor's expertise, strategies, models, and technology which the Collateral Monitor has acquired through the application of methods and standards of judgment and through the expenditure of considerable work, time, and money ("Collateral Monitor's Confidential Information"). The Collateral Monitor's Confidential Information does not include the terms of this Agreement, including the fees payable to the Collateral Monitor, or information (i) that is or becomes generally known to the public through no breach of this Section 5.7 by FRBNY, (ii) is disclosed to the Company or FRBNY by a third party not having a duty of confidentiality, to the knowledge of FRBNY, to the Collateral Monitor with respect to such information, (iii) was in the possession of the Company, FRBNY, or any other Federal Reserve Entity prior to disclosure by the Collateral Monitor, or (iv) was independently developed by the Company, FRBNY, or another Federal Reserve Entity.

(b) The Collateral Monitor's Confidential Information (a) shall be treated as confidential by the Company and FRBNY, (b) shall not be used for any purpose other than the Company's and FRBNY's operation of TALF and analysis of the Collateral Monitor's performance, and (c) shall not be disclosed, directly or indirectly, to third parties by the Company or FRBNY except that the Company and FRBNY shall be permitted to share the Collateral Monitor's Confidential Information on a need to know basis with: (i) officers, employees, directors, and auditors (including the auditors and oversight authorities described in



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Section 4.7) of the Company or FRBNY; (ii) the Board of Governors or any other Federal Reserve Entity; (iii) the Treasury; (iv) other collateral monitors, attorneys, and agents engaged by the Company or FRBNY for purposes of performing services with respect to TALF and subject to obligations to keep the Collateral Monitor's Confidential Information in confidence and to use it only for purposes of performing services with respect to TALF; (v) any person in connection with the enforcement of the Company's or FRBNY's rights and remedies under this Agreement, and (vi) any other party with the prior written consent of the Collateral Monitor. The Company or FRBNY, as the case may be, shall inform all persons to whom it discloses the Collateral Monitor's Confidential Information of its confidential nature and the restrictions on its use, and the Company or FRBNY shall require each such person, by means of a written acknowledgement (or an otherwise established policy or practice), to keep all such information obtained by them as confidential. For employees and officers of the FRBNY or another Federal Reserve Entity, the confidentiality undertaking may be in the form of an annual certification. The FRBNY shall obtain from the persons described in clause (iv) confidentiality obligations at least as restrictive as those contemplated by this Section 5.7, and the Collateral Monitor shall be a third-party beneficiary of such agreements as they relate to confidentiality obligations with respect to the Collateral Monitor's Confidential Information. In addition, the Company and FRBNY may make public disclosures of the Collateral Monitor's Confidential Information as permitted elsewhere in this Agreement.

(c) Notwithstanding Subsection 5.7(b), the Company and FRBNY may disclose the Collateral Monitor's Confidential Information to the extent required under applicable law or by valid order of a court or other governmental body having competent jurisdiction, including the United States Congress and bodies authorized to oversee TALF, provided that (i) the Company or FRBNY notifies the Collateral Monitor promptly if disclosure is requested pursuant to any law, regulation, subpoena, or other legal process and in any event before disclosure becomes required (unless prior notice is expressly prohibited by law), (ii) the Company and FRBNY takes all steps reasonably required to protect the confidentiality of the Collateral Monitor's Confidential Information being disclosed, including, to the extent reasonable to do so and at the expense of the Collateral Monitor (including reasonable legal expenses): (A) entertaining and considering any argument the Collateral Monitor wishes to make that disclosure is not required and/or that such disclosure is in violation of the terms and conditions of this Agreement, and (B) providing the Collateral Monitor with all reasonable assistance in resisting or limiting disclosure, (iii) the Company and FRBNY reasonably cooperates with the Collateral Monitor in its efforts to obtain a protective order or other appropriate remedy at the expense of the Collateral Monitor (including reasonable legal expenses), (iv) if such protective order or other remedy is not obtained, the Company or FRBNY, as the case may be, furnishes only that portion of the Collateral Monitor's Confidential Information that it is legally required to disclose and advises the recipient that the Collateral Monitor's Confidential Information is subject to the confidentiality provisions of this Agreement; and (v) the Company and FRBNY exercise reasonable efforts to cooperate with the Collateral Monitor in the Collateral Monitor's efforts to obtain reliable assurances that confidential treatment will be accorded the Collateral Monitor's Confidential Information.

(d) FRBNY may disclose Collateral Monitor's Confidential Information in response to a public information request under FRBNY's Freedom of Information policy (the "Policy") provided that FRBNY, before disclosing any of the Collateral Monitor's Confidential



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Information in response to such a request, shall notify the Collateral Monitor in writing and allow it an opportunity to provide support for an exemption from public release, e.g., as a trade secret or privileged and confidential commercial or financial information, and FRBNY shall consider any information provided by the Collateral Monitor in support of exemption from release. Disclosures described in the previous sentence shall not be a violation of FRBNY's obligations under Subsection 5.7(a). The Policy is based on the Freedom of Information Act, and includes an exemption substantially similar to Exemption 4 of the Freedom of Information Act. The Company and FRBNY acknowledge that the Collateral Monitor is willing to provide Collateral Monitor's Confidential Information to the Company and FRBNY under an "assurance of privacy" as set forth under Exemption 4 of the Freedom of Information Act, 5 U.S.C. § 552(b)(4), pursuant to the United States Supreme Court's decision in *Food Marketing Institute v. Argus Leader Media*, 139 S. Ct. 2356 (2019).

Section 5.8 Remedies.

The Company, FRBNY, and the Collateral Monitor shall be entitled to seek equitable relief, including injunction and specific performance, in the event of any breach of the provisions of this Article V. In any such case, a party opposing injunction shall not contest the action on the grounds that damages are an adequate remedy, nor shall a party seek to have imposed on the party seeking the injunction any obligation to post a bond or give other security as a condition to injunctive relief. Such remedies shall be in addition to all other remedies available at law or in equity.

## ARTICLE VI
## REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of the Collateral Monitor.

The Collateral Monitor makes the following representations and warranties to the Company:

(a) The Collateral Monitor has been duly organized and is validly existing under the laws of Delaware, has the full power and authority to own its assets and to transact the business in which it is presently engaged, and has all material licenses, certificates, qualifications, authorities or permits issued by the appropriate state, federal, or foreign regulatory agencies or bodies necessary to conduct the business now operated by it, and the Collateral Monitor has not received any notice of proceedings relating to the revocation or modification of any such license, certificate, authority, or permit which, individually or in the aggregate, if determined adversely, would materially and adversely affect the condition, financial or otherwise, of the Collateral Monitor or the ability of the Collateral Monitor to perform its duties hereunder.

(b) The Collateral Monitor has full corporate power and authority to execute, deliver, and perform this Agreement and all its duties hereunder.

(c) This Agreement has been duly authorized, executed, and delivered by the Collateral Monitor and constitutes its valid and binding obligation, enforceable in accordance with its terms except that the enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship, or other similar laws now or hereafter in effect relating to creditors' rights and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).



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(d) No consent, approval, authorization, or order of or declaration or filing with any government, governmental instrumentality, agency, authority or court or other person is required for the performance by the Collateral Monitor of its duties hereunder, except such as have been duly made or obtained.

(e) Neither the execution and delivery of this Agreement nor the fulfillment of the terms hereof conflicts with, results in a breach, violation or acceleration of, or constitutes a default under, (i) the articles of organization or operating agreement of the Collateral Monitor, (ii) the terms of any material indenture, contract, lease, mortgage, deed of trust, note, agreement or other evidence of indebtedness or other material agreement, obligation, condition, covenant or instrument to which the Collateral Monitor is a party or is bound, (iii) any statute applicable to the Collateral Monitor, or (iv) any law, decree, order, rule, or regulation applicable to the Collateral Monitor or of any court, regulatory, administrative, or governmental agency, body, or authority, or arbitrator having or asserting jurisdiction over the Collateral Monitor or its properties.

(f) Neither the Collateral Monitor nor any of its affiliates are in violation of any United States federal or state securities law or regulation promulgated thereunder, and there is no charge, action, suit, proceeding, public investigation, or, to the knowledge of the Collateral Monitor, nonpublic investigation before or by any court or regulatory agency pending or, to the knowledge of the Collateral Monitor, threatened that would have a material adverse effect upon the performance by the Collateral Monitor of its duties under this Agreement. For the avoidance of doubt, routine or sweep regulatory examinations do not constitute investigations. Unless prohibited by law or negotiation, the Collateral Monitor shall immediately notify the Company and FRBNY General Counsel if it becomes aware of any such investigations, actions, or proceedings.

(g) There is no charge, action, suit, proceeding, public investigation or, to the knowledge after due inquiry of the Collateral Monitor, nonpublic investigation pending or, to the knowledge after due inquiry of the Collateral Monitor, threatened before or by any court, arbitrator, administrative agency, or other tribunal (i) asserting the invalidity of this Agreement, or (ii) that might adversely affect the performance by the Collateral Monitor of its obligations under, or the validity or enforceability of, this Agreement (except that routine or sweep regulatory examinations shall not be construed as investigations for purposes of this representation).

(h) The Collateral Monitor is not in violation of its articles of organization or operating agreement or in default under any agreement, indenture, or instrument to which it is a party or by which it is bound, the effect of which violation or default would be material to the Collateral Monitor or which violation or default would have an adverse effect on the performance of its obligations under this Agreement.

(i) No proceedings looking toward merger, liquidation, dissolution, or bankruptcy of the Collateral Monitor or any subsidiary thereof are pending or contemplated.

(j) The Collateral Monitor is in accordance with all laws and regulations applicable to it, including anti-money laundering, counter-terrorist financing, and U.S. Office of Foreign Assets Control laws and regulations.



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(k) Neither the Collateral Monitor nor any of its affiliates are controlled by any Foreign Governmental Person.

(l) The Collateral Monitor is the owner of its intellectual property or the holder of valid licenses to intellectual property to be used by the Collateral Monitor in the performance of Services, and the use and possession of the valuations, models, analytics, information, and results furnished or made available to the Company and FRBNY under Schedule A, as delivered to the Company and FRBNY and as used by the Company and FRBNY in compliance with this Agreement, do not infringe, misappropriate, or violate any third party's rights.

(m) The Collateral Monitor is duly registered as an investment adviser with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940, as amended, and such registration is in full force and effect.

Section 6.2 Representations and Warranties of the Company.

The Company makes the following representations and warranties to the Collateral Monitor:

(a) The Company has the power and authority, and the legal right, to execute, deliver and perform this Agreement and all obligations required hereunder.

(b) The Company has taken all necessary organizational action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement, and the performance of all obligations imposed upon it hereunder.

(c) The Company's execution, delivery, and performance of this Agreement and all obligations required of it hereunder will not violate any applicable law, rule, regulation, governing document, contract, or other material agreement binding upon the Company, and no governmental or other notice or consent is required in connection with the execution, delivery, or performance of this Agreement by the Company.

Section 6.3 Continuity of Representations and Warranties.

The representations and warranties of the Collateral Monitor set forth in Section 6.1 shall be continuing and deemed to be repeated by the Collateral Monitor daily during the term of this Agreement. The Collateral Monitor shall immediately notify the Company of any breach of any such representation or warranty and the circumstances of such breach.

Section 6.4 No Petition.

The Collateral Monitor hereby covenants and agrees that it will not, at any time before the expiration of one year (or, if longer, the applicable preference period then in effect) plus one day following the termination of this Agreement, the payment in full of the Obligations (as defined in the Credit Agreement), and the termination of the Credit Agreement and the Security Documents (i) commence or institute against the Company, or join with or facilitate any other Person in commencing or instituting against the Company, any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, receivership, insolvency or liquidation proceedings, or other proceedings under any United States federal or state, or other jurisdiction, bankruptcy or similar law or statute now or hereafter in effect in connection with any obligations relating to this



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Agreement or any of the other Operative Documents or (ii) participate in any assignment for benefit of creditors, compositions, or arrangements with respect to the Company's debts. The agreements in this Section 6.4 shall survive the termination of this Agreement and the payment of the Obligations and shall also survive the termination of the Credit Agreement and the Security Documents.

## ARTICLE VII
## TERMINATION

Section 7.1 Termination.

The Company shall be entitled to terminate this Agreement in whole, or solely with respect to one or more individual Asset Classes, immediately if the Collateral Monitor breaches any representation or warranty set forth herein. The Company shall otherwise be entitled to terminate this Agreement in whole, or solely with respect to one or more individual Asset Classes, upon not less than thirty (30) days prior written notice of termination from the Company to the Collateral Monitor. The Collateral Monitor shall be entitled to terminate this Agreement, in whole only, upon not less than thirty (30) days prior written notice of termination from the Collateral Monitor to the Company; provided that, no termination of this Agreement by the Collateral Monitor pursuant to this sentence shall be effective until the Company has appointed one or more successor collateral monitors (each, a "Successor Collateral Monitor") and the Successor Collateral Monitor (and each of them if more than one) has commenced the performance of the duties of the Collateral Monitor described herein; provided further, that if the Company fails to appoint a Successor Collateral Monitor within one hundred and eighty (180) days after such notice of termination from the Collateral Monitor, the Collateral Monitor may petition any court of competent jurisdiction for the appointment of a Successor Collateral Monitor.

The obligations of the Collateral Monitor under Section 4.2, Article V, Section 6.4 and Section 7.2 shall survive any termination or expiration of this Agreement.

Section 7.2 Following Termination.

(a) If either party delivers a notice of termination under Section 7.1, and the Company thereafter notifies the Collateral Monitor of the designation of a Successor Collateral Monitor, the Collateral Monitor shall from time to time:

(i) promptly deliver, in electronic format, to or as directed by the Company: (A) all relevant information, data, and documents theretofore delivered to the Collateral Monitor pursuant to this Agreement and/or the operation of TALF, including documentation associated with TALF Loan requests, data files containing numerical or statistical information regarding loans and receivables backing any Proposed ABS, Portfolio ABS, and/or the collateral securing such loans and receivables (whether received as part of the original disclosure documents or servicer or trustee reports), and other similar materials; (B) all recommendations previously made by the Collateral Monitor to the Company or FRBNY (whether related to requests for reservations of TALF Loan capacity, subscriptions for TALF Loans, acceptances or rejections of general or specific Proposed ABS as



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collateral for TALF Loans or general or specific Underlying Receivables or pools thereof as underlying assets for an ABS or otherwise) subject to obligations to keep the Collateral Monitor's Confidential Information in confidence and to use it only for purposes of performing services with respect to TALF; (C) descriptions of underlying assumptions in its valuation models sufficient to allow continuity in valuation by the Company and FRBNY of all Portfolio ABS or Surrendered ABS; (D) all directions and consents previously delivered by the Company or FRBNY to the Collateral Monitor; (E) all reports previously delivered by the Collateral Monitor to the Company under this Agreement; and (F) all databases (whether relating to Proposed ABS, Portfolio ABS, Surrendered ABS, Rejected ABS or otherwise) theretofore established by the Collateral Monitor in connection with TALF; and

(ii) (A) continue to perform the Services until their performance is actually assumed by the Successor Collateral Monitor (or Successor Collateral Monitors if more than one); (B) otherwise reasonably cooperate from time to time in the orderly transition of the performance of all Services to the Successor Collateral Monitor(s); (C) provide reasonable access for the Company and FRBNY to the Collateral Monitor's personnel to answer questions about the services in transitioning services to the Successor Collateral Monitor(s), and (D) perform all the duties described above diligently and promptly.

(b) From and after TALF Final Termination Date, the Collateral Monitor shall diligently and promptly perform the duties described in clause (a) above until completion.

## ARTICLE VIII
## MISCELLANEOUS

Section 8.1 Amendment.

This Agreement may not be amended or modified in any manner (except as otherwise expressly set forth in Section 2.3, and Schedule C) other than by a written agreement executed by the parties.

Section 8.2 Notices.

(a) Any written notice required by or pertaining to this Agreement are to be given in writing and delivered by hand or by commercial overnight carrier and by email if an email address for notice is provided. Notices will be deemed given when received. Notice is received when delivered, if by hand, on the next Business Day after deposit with an overnight carrier if the notice is marked for overnight delivery and delivery is acknowledged by a signature of the receiving party, or when it enters the recipient's email system in a form capable of being processed by that system (or on the following Business Day if it enters the system after the recipient's normal business hours). If it is impractical to give notice by hand or by commercial overnight carrier, notice will be sufficient if given by email that is also acknowledged by the receiving party or otherwise verified by the sending party and, in that case, notice will be given when the email is acknowledged or verified.



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(b) Any notice or other writing hereunder to be given to the Company or to FRBNY shall be addressed as set forth below or as the Company and FRBNY, respectively, may from time to time designate in writing. In each case, a copy of the notice or other writing to be given to the Company or to FRBNY must also be sent by email to FRBNY's General Counsel.

If to the Company:

TALF II LLC
c/o Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001
Tel.:
Email: nytalf@ny.frb.org
With a copy by email to
And by email to: legal.notice@ny.frb.org

For notices of Security Breach, by email to with copies to the email addresses listed above.

If to FRBNY:

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001
Tel.:
Email: nytalf@ny.frb.org
With a copy by email to:
And by email to: legal.notice@ny.frb.org

If to FRBNY's General Counsel:

Michael Held
Executive Vice President and General Counsel
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001
Tel.:
Email: legal.notice@ny.frb.org

(c) Any notice or other writing hereunder to be given to the Collateral Monitor shall be addressed to the Collateral Monitor at the address set forth below or such other address as the Collateral Monitor may from time to time designate in writing.



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Pacific Investment Management the Company LLC
650 Newport Center Drive
Newport Beach, CA 92660
Attention:
Telephone:
Email:

Section 8.3 Cumulative Rights; No Waiver.

Each and every right granted to any party hereunder or under any other document delivered hereunder or in connection herewith, or allowed it by law or equity, shall be cumulative and may be exercised from time to time. No failure on the part of either party hereto to exercise and no delay in exercising, and no course of dealing with respect to, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver. Without limiting the generality of the foregoing, any inspection or examination of the Collateral Monitor by the Company or FRBNY shall not be construed as a waiver of any right the Company or FRBNY may have under this Agreement.

Section 8.4 Entire Agreement.

This Agreement constitutes the entire agreement between the Collateral Monitor and the Company with respect to the subject matter hereof. This Agreement is not intended and is not to be interpreted as superseding or terminating the Federal Reserve Bank of New York Nondisclosure Agreement dated April 6, 2020 agreed by the Collateral Monitor or the letter agreement regarding Information Sharing in Connection with COVID-19 Response Funding Facilities dated April 13, 2020 agreed with the Collateral Monitor by FRBNY.

Section 8.5 Severability.

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.

Section 8.6 Successors and Assigns.

This Agreement shall extend to and shall be binding upon the parties hereto and their respective successors and permitted assigns; provided that this Agreement shall not be assignable by the Collateral Monitor without the prior written consent of the Company (evidenced by a Written Instruction). Any organization or entity into which the Collateral Monitor may be merged or converted or with which it may be consolidated, any organization or entity resulting from any merger, conversion or consolidation to which the Collateral Monitor shall be a party shall be the successor to the Collateral Monitor hereunder without the execution or filing of any paper or any further act of any of the parties hereto. The Collateral Monitor shall inform the Company of any



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possible change in control of the Collateral Monitor as soon as such information is made available to the public.

Section 8.7 Governing Law; Disputes; Jurisdiction; Waiver of Immunity; Waiver of Jury Trial.

(a) This Agreement and the rights and obligations of the parties under this Agreement shall be governed by and construed and interpreted in accordance with, the law of the State of New York. 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, the Company and the Collateral Monitor submit to the jurisdiction of such court. For these purposes, the Company, FRBNY, and the Collateral Monitor submit to the jurisdiction of such court. Each party hereby irrevocably and unconditionally: (i) consents that any such action, suit, or proceeding may be brought only in such court and waives, to the maximum extent not prohibited by law, any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (ii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid return receipt requested, to the Company or the Collateral Monitor, as the case may be, at its address in each case as set forth in Section 8.2 or at such other address of which the parties hereto shall have been notified pursuant thereto, and that either party may also effect service of process in any other manner permitted by law; (iii) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in another jurisdiction by suit on the judgment or in any other matter provided by law; and (iv) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding any special, indirect, exemplary, punitive or consequential damages of any kind whatsoever (including for lost profits).

(b) **WAIVERS OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

Section 8.8 Third-Party Beneficiaries.

FRBNY, in its capacity as managing member, lender, or otherwise, is a third-party beneficiary of this Agreement. No provision of this Agreement is intended or shall be construed to give any other Person not a party hereto, including any TALF Borrower or prospective borrower under TALF, any financial institution through which a TALF Borrower or prospective borrower has requested a TALF Loan, any sponsor or issuer of any Proposed ABS or any originator of any Underlying Receivables of Proposed ABS, any legal or equitable right, remedy, or claim under or in respect of this Agreement or any provision hereof; provided, however, that any Person that has been retained by the Company as a collateral monitor under TALF shall be a third-party beneficiary with respect to any legal or equitable right, remedy, or claim against the Collateral Monitor for breach of its confidentiality obligations pursuant to Article V with respect to the information of any such other collateral monitor referenced in Section 5.1(b).



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Section 8.9 No Partnership or Joint Venture.

The Company, FRBNY, and the Collateral Monitor are not partners or joint venturers with each other, and nothing herein shall be construed to make them such partners or joint venturers or impose any liability as such on either of them. The Collateral Monitor's relation to the Company and FRBNY shall be deemed to be that of an independent contractor.

Section 8.10 Headings.

The headings and captions in this Agreement are included for convenience only and in no way define or limit any of the provisions hereof or otherwise affect their construction or effect.

Section 8.11 Schedules and Exhibits.

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

Section 8.12 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument. Counterparts may be exchanged in any file format that maintains the integrity of the text of the Agreement and the signatures affixed to it.

Section 8.13 Survival.

The following Sections shall survive any termination of this Agreement: each Section in Article I, 3.3, 4.1, 4.2, 4.6 through 4.9, each Section in Article V, 6.1, 6.2, 6.4, 7.2, and Sections 8.1 through 8.13, inclusive.

Section 8.14 Diversity and Inclusion.

(a) The Collateral Monitor shall use good faith-efforts to ensure the fair inclusion of women and minorities in the Collateral Monitor's workforce consistent with the Collateral Monitor's Equal Opportunity Employment Policy. The Collateral Monitor will maintain sufficient documentation that permits the Company to determine whether or not the Collateral Monitor has made a good-faith effort in this regard. The Collateral Monitor understands that FRBNY's Diversity & Inclusion Office may make a determination about whether the Collateral Monitor has made the required good-faith effort and may recommend termination of the Agreement if FRBNY's Diversity & Inclusion Office determines that the required good-faith effort has not been made. The Company shall notify the Collateral Monitor of such recommendation, and the Collateral Monitor shall devise a plan to make such good faith-efforts which is acceptable to the Company. If the Collateral Monitor has not proceeded diligently to execute the plan within a reasonable time and manner accepted by the Company, the Company may proceed to terminate the Agreement based on that recommendation. Any termination of the Agreement by the Company pursuant to this Section 8.14 will be without cost or penalty to the Company (except payment for services rendered prior to the termination date) notwithstanding any other provision of the Agreement to the contrary.



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The Collateral Monitor's contact for notices from FRBNY's Diversity & Inclusion Office is
Executive Vice President, Head of Corporate Responsibility,

(b) The Collateral shall not discriminate on the basis of race, sex, color, religion, national origin, age, or disability in its selection of subcontractors or otherwise in its performance of Services. Consistent with applicable law and any constraints imposed by the Company on the use of subcontractors, the Collateral Monitor shall take reasonable measures to ensure minority-, women-, and veteran-owned business enterprises ("MWVBEs") have an equal opportunity to participate as service providers to TALF. Upon request, the Collateral Monitor shall report to the FRBNY about the measures the Collateral Monitor has taken to provide subcontracting opportunities to MWVBEs and results achieved, and the Collateral Monitor shall discuss with the Company and FRBNY any observations about the report and other measures that might be taken to improve opportunities for MWVBEs to participate as service providers to TALF.

[*signature pages follow*]



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**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the day and year first above written.

TALF II LLC

By: FEDERAL RESERVE BANK OF NEW YORK, its managing member

By: _
Name:
Title: Authorized Signatory

PACIFIC INVESTMENT MANAGEMENT COMPANY LLC

By: __
Name:
Title: Managing Director

**Schedules:**

| | |
|---|---|
| Schedule A | Services |
| Schedule B | Fees |
| Schedule C | Criteria for Written Instructions from the Company |
| Schedule D | Information Barrier and Conflict of Interest Procedures |
| Schedule E | Initial List of Restricted Persons |
| Schedule F | List of Key Personnel |

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## SCHEDULE A

## SERVICES

PIMCO as Collateral Monitor shall provide the services described below.

A. Analytics for Proposed ABS. The Collateral Monitor shall generally (i) perform credit risk and rating assessments on Proposed ABS issuers, servicers, sponsors, collateral managers, ABS structure, and Underlying Receivables; (ii) perform valuation and other analysis for CUSIPs of Proposed ABS; (iii) provide a written assessment, including reporting, of Proposed ABS underlying asset credit quality; and (iv) provide information on the ABS market, in each case, in form and content to be agreed with FRBNY. Analytics for Proposed ABS shall include an evaluation of Proposed ABS against the collateral eligibility criteria set forth in the TALF Standing Loan Procedures.

Analytics for Portfolio ABS and Surrendered ABS. The Collateral Monitor shall generally (i) perform updated credit risk and rating assessments on Portfolio ABS and Surrendered ABS issuers, servicers, sponsors, collateral managers, ABS structure, and Underlying Receivables; (ii) perform updates of valuation analysis for Portfolio ABS and Surrendered ABS; and (iii) provide a written assessment, including reporting, of Portfolio ABS and Surrendered ABS underlying asset credit quality; and (iv) provide information on the ABS market, in each case, in form and content to be agreed with FRBNY.

Specifically for Proposed ABS, Portfolio ABS and Surrendered ABS:

1. At the outset of the engagement, and from time to time as requested by the Company, the Collateral Monitor shall:

   (a) Risk Rating and Credit Analysis for Proposed ABS, Portfolio ABS and Surrendered ABS:

      (i) Perform credit risk analysis, including assigning PIMCO internal risk ratings ("Risk Ratings") (where and when applicable) at the CUSIP level. Such credit risk analysis shall take into account risks associated, with respect to issuers, loan sellers, sponsors, servicers, collateral managers, ABS structure, and Underlying Receivables.

   (b) Stress Valuation for Proposed ABS, Portfolio ABS (upon request) and Surrendered ABS (upon request)

      (i) Collaborate with FRBNY to develop appropriate macro- and micro-economic assumptions and variables for stress valuation modeling to be performed by the Collateral Monitor (such procedure, a "Stress Valuation") across various Asset Classes using the Collateral Monitor's existing database or custom-built database as applicable (such macro- and micro-economic assumptions and variables may be changed by FRBNY, as needed); and



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(ii) Calculate the stress values for all requested items using Stress Valuations to derive expected losses on individual Underlying Receivables (where applicable) backing each and analyzing the impact and expected losses on each (any such calculated value, the "Stress Value").

(c) Market Price for Proposed ABS, Portfolio ABS and Surrendered ABS:

(i) Collect from third-party pricing vendors and send to FRBNY a market price ("Market Price") for each requested item hereunder for which vendor pricing is available; provided that FRBNY acknowledges and agrees that the Collateral Monitor (i) is not a pricing vendor for ABS, (ii) will provide such Market Prices solely in its capacity as Collateral Monitor, and (iii) is not responsible for the accuracy of Market Prices provided by third-party pricing vendors;

(d) Intrinsic Value for Proposed ABS, Portfolio ABS (upon request) and Surrendered ABS (upon request):

(i) Collaborate with FRBNY in developing a methodology to calculate a fundamental value ("Intrinsic Value") and for the continual assessment of the methodology based on changes in market conditions; and

(ii) Calculate Intrinsic Value for each respective item;

(e) Weighted Average Life Recalculation for Proposed ABS, Portfolio ABS (upon request) and Surrendered ABS (upon request):

(i) Recalculate weighted average lives for each respective item in accordance with the developed methodology.

2. Subject to the terms of this Agreement, the Collateral Monitor shall provide information (other than proprietary modeling or methodology information) to the Custodian necessary for the Custodian to perform its services with respect to TALF or other persons, as directed by the Company; provided that such persons agrees to keep such information confidential and to only use such information for purposes of performing services with respect to TALF.

3. Upon request, the Collateral Monitor shall provide to FRBNY all underlying macro-economic and micro-economic assumptions used for Stress Valuations (*e.g.*, unemployment rate assumptions, default probabilities and recovery rates under various scenarios).

4. The Collateral Monitor will receive detailed information concerning the outstanding TALF Loan balances and TALF collateral from the Custodian and FRBNY. Information will include a breakdown of loan amounts, principal



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repayments, interest rate format, the amount of and details of Proposed ABS, Portfolio ABS, and Surrendered ABS, as well as scanned issuer documentation (*i.e.*, term sheet and prospectus or offering memorandum) for each Proposed ABS expected to be delivered on settlement date of the TALF Loan, as well as all other pertinent information. The information provided will not include information identifying the TALF borrowers.

5. The Collateral Monitor shall provide such other services as are contemplated by this Agreement, or are reasonably incidental thereto, as mutually agreed by the parties in writing, and such other services in connection with the TALF Program as the parties hereto shall from time to time agree in writing.

B. Reporting. The Collateral Monitor shall communicate and provide reports with the results from the analysis performed on Proposed ABS, as well as periodically review Portfolio ABS and Surrendered ABS by asset class. The Collateral Monitor will provide an opinion of risk and exposure and opine on the performance of the collateral. The Collateral Monitor will also provide the Company (and, subject to the terms of this Agreement, any other persons, including the Custodian, that the Company may identify, provided that such persons agree to keep such information confidential and to only use such information for purposes of performing services with respect to TALF) with reports in a timely fashion.

Specifically:

1. The Collateral Monitor shall create and deliver to the Company and with respect to reports necessary for the Custodian to perform its services with respect to TALF, the Custodian or other persons as the Company directs (provided that such persons agree to keep such information confidential and to only use such information for purposes of performing services with respect to TALF), as needed, but at least on a monthly basis for Portfolio ABS and Surrendered ABS (except as noted herein), as well as timely reports of Proposed ABS (by CUSIP), including but not limited to:

   (a) An evaluation of Proposed ABS against collateral eligibility criteria set forth in the TALF Standing Loan Procedures.

   (b) Internal risk rating and credit analysis, as defined in Part A, 1(a) hereof.

   (c) An analysis of mutually agreed upon risk characteristics, to the extent provided by the issuer, servicer or trustee for each such Proposed ABS and Portfolio ABS which may include or are comparable to those listed in Exhibit to this Schedule A;

   (d) Intrinsic Values according to the agreed upon methodology between FRBNY and the Collateral Monitor, as defined in Part A, 1(d) hereof;

   (e) Stress Values according to the agreed upon methodology between FRBNY and the Collateral Monitor, as defined in Part A, 1(b) hereof;



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(f) Market Prices that have been the subject of a TALF Loan, as defined in Part A, 1(c) hereof; and

(g) Holdings of collateral by Asset Class.

2. The Collateral Monitor shall provide in secure electronic format, weekly (or, as needed), a list of CUSIPs being analyzed and current status of Proposed ABS, Portfolio ABS, and Surrendered ABS.

3. Upon reasonable request, the Collateral Monitor shall promptly produce customized and ad-hoc reports regarding matters mutually agreed in writing between the Company and the Collateral Monitor. If the scope of such requested reports would increase the time, costs or resources required for the Collateral Monitor's performance under this Agreement, the Collateral Monitor shall indicate its interest and ability to provide such additional reports and, if it is, the parties shall negotiate in good faith an equitable adjustment to the fees payable to the Collateral Monitor. The Collateral Monitor will provide industry alerts on developments and risk events which may impact the portfolio, including, without limitation, analysis of Proposed ABS, Portfolio ABS, Surrendered ABS, and Underlying Receivables where reasonably possible.

4. The Collateral Monitor shall provide reports to the Company, including but not limited to, the following:

(a) Default risk, including, where and when available:

(i) Delinquencies on the Underlying Receivables for Proposed ABS, Portfolio ABS, and Surrendered ABS;

(ii) Ratings, Watchlists, and Downgrades on Portfolio ABS and Surrendered ABS; and

(iii) Upcoming maturities for Portfolio ABS and Surrendered ABS.

(b) Forecasted principal and interest payments based on interest rate scenarios and/or stress or default scenarios, upon request, for Proposed ABS, Portfolio ABS, and Surrendered ABS; and

(c) Triggers (*i.e.*, credit events) of Proposed ABS, Portfolio ABS, and Surrendered ABS that may cause a shift in the rights of the Company and/or FRBNY (*e.g.*, with respect to cash flows), and their occurrence under various stress scenarios.

These default reports, their formats, methods and times of delivery, and their frequency will be agreed by the Company and the Collateral Monitor at the outset of the engagement, but may be modified and refined over time at the Company's reasonable direction; provided that such reports will not be required on more than a monthly basis.



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5. The Collateral Monitor shall, upon request, provide a summary and assessment of the above-described reports and provide synthesis that include qualitative market commentary to the Company (and such stakeholders of the TALF Program as the Company may identify, provided that such persons agree to keep such information confidential and to only use such information for purposes of performing services with respect to TALF).

6. The Collateral Monitor shall make quarterly portfolio performance presentations to the Company that incorporates the Collateral Monitor's opinion of the portfolio's risks and performance, commensurate with similar presentations previously made to FRBNY.

7. The Collateral Monitor shall retain documentation and records associated with its duties hereunder as required by this Agreement.

8. In connection with all analytical services described in Part A hereof, the Collateral Monitor shall report the results of such services to the Company (and such stakeholders of the TALF Program as the Company may specify; provided that such persons agree to keep such information confidential and to only use such information for purposes of performing services with respect to TALF).

9. The Collateral Monitor shall provide such other services as are contemplated by this Agreement or are reasonably incidental thereto as mutually agreed by the parties in writing, and such other services in connection with the TALF Program as the parties hereto shall, from time to time, agree in writing.



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**EXHIBIT to SCHEDULE A**

**ABS Characteristics**

1. CMBS:
   - (i) Geographic Concentration (by State, Market Type (primary, secondary, tertiary), and MSA);
   - (ii) Property Type Concentration;
   - (iii) Large Tenant Concentration;
   - (iv) Interest Only, Partial IO Concentration, Fixed/Floating;
   - (v) Loan Maturity Schedule/WAM and WAC;
   - (vi) Property/loan performance: DSCR, LTV, Occupancy rate, NOI;
   - (vii) Lease rollover risk by Lease type;
   - (viii) Loan Performance: Delinquencies, Specially Serviced Loans, Watchlist Loans, Appraisal Reductions, Interest Shortfalls;
   - (ix) Accumulative net loss level at deal-level;
   - (x) Individual loan concentrations: Large Loans %; and
   - (xi) Tenant Bankruptcies.

2. Credit Card:
   - (i) Trust Summary: Asset Information and Receivables Activity (Principal and Finance Charges), Liabilities, Excess Collateral;
   - (ii) Trust and Series (if different) Performance Data (Current Month and Two Prior Months): Yield, Principal Payment Rate, Charge-offs and Recoveries (Cover Bankruptcy and Fraud), Gross and Net Charge-off Rate, Delinquency, Purchase Rate, Base Rate (Trust and Series), Yield (Trust and Series), Excess Spread (Trust and Series);
   - (iii) Series Performance Data (if different from Trust Performance Data noted in clause (ii) above);
   - (iv) Payment Waterfall & Allocation of Collections;
   - (v) Allocation Percentage Calculations, Upcoming Maturities;
   - (vi) Group Excess Finance Charge and Principal Collections Available for Sharing;
   - (vii) Spread Account/Reserve Account Activity;
   - (viii) Early Amortization Event Tests: (1) Seller's Interest (vs. Minimum Required Seller's Interest); (2) Note Trust Principal Balance (vs. Required Principal Balance); (3) Portfolio Yield (vs. Base Rate), or 3-Month Average Yield (Series/Trust) (vs. 3-Month Average Base Rate); (4) Other, as available;
   - (ix) Portfolio Composition Data By (Display By Principal Balance, Number of Accounts, and Related Percentages, as available): Account Balance, Credit Limit, Credit Utilization Rate, Account Age, State Concentration, Delinquency Status, Obligor Credit Quality (FICO or similar), Payment Status (Active/Inactive; No Pay/Minimum Pay/Full Pay (etc.);



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(x) Material Additions (provide compositions above for existing trust, eligible additions, and pro forma);

(xi) If Retailer/Co-Brand, provide Merchant/Retailer composition and Retailer Contract Expiration Dates;

(xii) Static Pool Data (Loss and Other Vintage Curves);

(xiii) Noteworthy Sponsor, Seller, Issuer, Servicer, or CUSIP Developments; and

(xiv) Noteworthy Retailer Developments (if Retailer/Co-Brand).

3. Auto ABS:

(i) Weighted average loan coupon interest rate and remaining term;

(ii) Pool factor and tranche factors;

(iii) Loan distribution by loan terms and comparison vs. at deal issuance;

(iv) Loan distribution by loan coupon buckets and comparison vs. at deal issuance;

(v) Loan distribution by delinquency buckets;

(vi) 60+ delinquency relative to credit enhancement levels, 60 day+ delinquency curve vs. historical level and peers' performance, seasoning adjusted;

(vii) Interest Shortfall;

(viii) Accumulative net loss level and curve, historical level and peers' performance, seasoning adjusted;

(ix) Annualized current net loss rate and its trend over past periods;

(x) Capital Structure Position;

(xi) Credit enhancement levels of each tranche vs. initial and target levels;

(xii) Servicer financial strength, stability and liquidity positions;

(xiii) Voluntary Prepayment;

(xiv) Default rate (CDR);

(xv) Forward Loss – projection of estimated losses given forecast of unemployment rate;

(xvi) Waterfall trigger status – whether delinquency/loss/credit enhancement trigger is passed or broken;

(xvii) Deal waterfall – whether there is excess interest release out to equity holders;

(xviii) Geographic concentrations;

(xix) Projected base case and stress case loss (based on PIMCO model);

(xx) WA FICO;

(xxi) Type of vehicle;

(xxii) Model/Make concentrations; and

(xxiii) Total Repossessed.

4. Equipment ABS: to be agreed upon between the parties.

(i) Credit quality of obligors;

(ii) Obligor concentration (% Top 10, % Top 20);



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(iii) Type of equipment;
(iv) Number of contracts;
(v) Ratio of amount financed to equipment value;
(vi) WA Seasoning;
(vii) WA Remaining term;
(viii) Industry Sector concentrations;
(ix) Geographic Region concentrations;
(x) All OC Tests (Initial and Current);
(xi) WA Spread WA Coupon, WA Life;
(xii) Excess Spread;
(xiii) Lease (%);
(xiv) Finance (%);
(xv) Loan (%);
(xvi) Delinquency buckets (31-60, 61-90, 90+)
(xvii) Default rate; and
(xviii) Projected base case and stress case loss (based on PIMCO model).

5. SBA ABS: to be agreed upon between the parties.

6. Floorplan ABS:

(i) Primary manufacturers' financial strength and floorplan sponsor experience and commitment;
(ii) Master trust all series and depositor balance Matrix including Beginning Month Balance, Increase/Decrease, Ending Month Balance, Floating Investor % for P & I Allocation, and Excess Depositor %;
(iii) Monthly Payment Rate and portfolio yield: Current collection period, 3 month average, and trend;
(iv) Master trust "Status" matrix including number and percentage of accounts, average principal balance, aggregate principal and percentage of "Status" receivables, and trend;
(v) Master trust loss information: Defaulted, Recoveries, Net Loss amount and % for current collection and trend;
(vi) If available, Portfolio Age Distribution, Dealer Concentration Distribution, and Dealer Risk Rating Group distribution, current and previous 3 year year-end;
(vii) Series specific capital structure position and credit enhancement levels including reserve fund;
    a. Series waterfall;
    b. Series seller's interest or subordination percentage;
    c. Series trigger level and trend versus target; and



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d. Servicer and backup servicer financial strength update.

7. Insurance Premium ABS:

(i) Originator and Servicer financial strength/credit quality and experience; back- up servicer arrangement update;

(ii) Master trust pool diversity matrix: borrower/insured concentration, geo/state distribution, and insurance carrier concentration versus limit and credit quality distribution: one month, trend and versus deal closing;

(iii) Master trust pool performance – one month, 3 month average and historical trend versus trigger level for enhancement or rapid amortization event: Portfolio Yield, Net Portfolio Yield, Payment Rate, Financed Premium Percentage;

(iv) Master trust pool loss experience: Delinquency (30 Day, 60 Day, 90+ Day & Total), Defaults, Recoveries, Charge-offs, and Aggregate Loan Balance in dollar amount and percentage one month and trend;

(v) Series specific capital structure position and credit enhancement levels including subordination, OC and reserve fund;

(vi) Series waterfall;

(vii) Series seller's interest, actual and minimum; and

(viii) Series' Controlled Amortization start date relative to other series in the master trust and those series with more conservative rapid amortization events.

8. Student Loan (Private):

(i) Summary Deal Information: Loan Portfolio Characteristics, Notes/Liability Summary; Enhancement Account Summary (Capitalized Interest/Reserves/OC, etc.), Measurement Against Triggers, if any;

(ii) Asset Balance Walk and Transaction Activity: Beginning Portfolio Balance, P&I Activity (Cash/Non-Cash), Capitalized Interest and Cash Capitalization Account Balance, Ending Asset Balance;

(iii) Collection Account Activity/Available Funds;

(iv) Losses and Recoveries: Periodic and Cumulative Gross Defaults, Recoveries, and Net Losses;

(v) Portfolio Characteristics By: Payment Status and Delinquency, Loan Program Type, School Type;

(vi) Swap Information/Rate Resets/Class Factors and Balances;

(vii) Trigger Tests: Note Parity Calculations and Test Measurement, Capitalization Account Calculations and Test Measurement, and Principal Distribution Calculations and Test Measurement;

(viii) Payment Waterfall and Class Level Distributions and Balances;

(ix) Payment History and CPR Information;

(x) Portfolio Composition By: Rate Type, Rate Reset (if Prime-based), Loan Program, School Type, Marketing Channel, Interest Rate, Principal Balance/Borrower, Remaining Term to Maturity, Remaining Term in Deferment (for those in deferment), Payment Status (In-School, Grace, Deferment, Forbearance, Year of



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Repayment), Repayment Terms, Interest Only Loans, Year of Disbursement, Delinquency Status, Loan Type (Co-Borrower/No Co-Borrower), FICO (Co-Borrower, No Co-Borrower, Total);

(xi) Aggregate Outstanding Principal Balance, Accrued Interest, # Borrowers, Average Principal Balance/Borrower, # Loans;

(xii) Weighted Average: Remaining Term to Maturity, Annual Interest Rate (Total and Loans in Repayment only), Margin (T-Bill and Prime), Annual Interest Rate (Fixed only), # Months in Repayment, Remaining Months in Status, FICO (All Borrowers, Co-Borrowers, No Co-Borrowers);

(xiii) Static Pool Data: Gross and Net Loss Curves, Payment/Loan Status, By Loan Channel, By School Type; and

(xiv) Noteworthy Sponsor, Seller, Issuer, Servicer, or CUSIP Developments.

9. Collateralized Loan Obligation (CLO):

(i) Weighted Average Rating Factor;

(ii) WAS/WAC/WAL;

(iii) Rating distribution;

(iv) Industry concentration - issuer industry distribution;

(v) Single obligor concentration – top issuers %;

(vi) Defaulted asset %;

(vii) Second lien and unsecured loan %;

(viii) Caa1/CCC+ and below %;

(ix) Cov-Lite concentration;

(x) Capital structure position;

(xi) Overcollateralization ratios and test results for all classes;

(xii) Interest coverage ratio test results for all classes;

(xiii) Market value metrics – average loan price, loan price distribution, liquidation NAV, and market value OC ratios;

(xiv) Summary of collateral quality tests result, including any failed test;

(xv) Summary of concentration limit compliance, including any limit breach; and

(xvi) Performance summary by manager (% purchase below par, WARF, WAS, min OC, % CCC).



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## SCHEDULE B

## Fees

**Calculation of Fees**

The fees payable by the Company to the Collateral Monitor for Services will have two components: (a) a fixed fee and (b) a variable fee.

a. The fixed fee per quarter shall be as follows:

Year One: $ 3,000,000 (fee to be paid as outlined below)

- 1st Quarter $ 1,500,000
- 2nd Quarter $ 500,000
- 3rd Quarter $ 500,000
- 4th Quarter $ 500,000

| | |
|---|---|
| Year Two of the Agreement (if applicable): | $1,500,000 |
| Year Three of the Agreement (if applicable) | $1,500,000 |
| Year Four of the Agreement (if applicable) | $1,000,000 |
| Year Five of the Agreement (if applicable) | $1,000,000 |
| Year Six of the Agreement (if applicable) | $1,000,000 |

The Collateral Monitor will invoice the fixed fee in arrears for each quarterly billing period as described in the Payment Procedures below. Subject to the Ramp-Up Costs provision below, if the Collateral Monitor shall serve for less than the whole of any quarterly period, its compensation for such billing period shall be calculated and payable on a pro rata basis for the period of the quarter for which it has served as Collateral Monitor under this Agreement.

b. The variable fee will be calculated on a sliding scale based on the outstanding TALF Loans as reported by the Collateral Monitor. The Collateral Monitor will invoice the variable fee in arrears for each quarterly billing period as described in the Payment Procedures below. The variable fee will be equal to the product of (i) the average outstanding balance of TALF Loans calculated by averaging the outstanding balance as of the last day of each month during such quarterly billing period, multiplied by (ii) the number of basis points per annum shown in the following table (calculated on the basis of the actual number of days elapsed in the billing period based on a 365-day year):

| | **TALF Loans Outstanding** | **Basis Points** |
|---|---|---|
| Up to | $50,000,000,000 | 1.5 |
| For the next | $50,000,000,000 | 1.0 |
| Thereafter | | 0.0 |



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**Payment Procedure**

Fees will be calculated and billed in USD. The first quarterly billing period will be June 1 – August 31, 2020, and the period of time between the Effective Date and May 31, 2020, will be deemed included in the first quarterly billing period. The Collateral Monitor will submit invoices to the Company by the last business day of the month immediately following the end of the quarterly billing period, e.g., September 30, 2020, for the first billing period. The Collateral Monitor shall include with each invoice submitted to the Company documentation showing the Collateral Monitor's calculation of fees. The Company shall pay fees due to the Collateral Monitor within forty-five (45) days of receipt of an invoice in proper form and with the required accompanying documentation. The Collateral Monitor acknowledges that the Company intends to publish in periodic public reporting information about fees incurred by the Company in connection with this Agreement. The Company's obligation to pay the Collateral Monitor the fees set forth above continues while performing Services during any transition as contemplated in Article VII.

**Ramp-up Costs**

As full consideration for ramp-up costs the Collateral Monitor may incur and not otherwise recover, if the Company terminates the Agreement within the first three months after the Effective Date (other than under the circumstances described below) and the Collateral Monitor ceases to perform Services within the first four months after the Effective Date, the Company will pay the Collateral Monitor, in lieu of the fees as described above, an amount equal to the sum of (i) the variable fee as calculated in clause (b) set forth above, (ii) the full amount of the Year One, 1st Quarter fixed fee ($1,500,000), and (iii) the amount corresponding to one month of the Year One, 2nd Quarter fixed fee ($166,667). When the Collateral Monitor has performed Services under the Agreement, including any transition services contemplated by Article VII, for at least four months, this provision shall have no further effect.

This provision shall also not apply if the Company terminates the Agreement in connection with one of the following conditions or events:

(A) The Collateral Monitor has been charged, by indictment or information, with a felony offense;

(B) A self-regulatory organization or other entity with regulatory or supervisory authority over the Collateral Monitor has determined that there is material fraud, misappropriation or other financial wrong-doing by any of the Collateral Monitor's employees assigned to perform Services;

(C) The Collateral Monitor has lost a license, registration or exemption that is necessary in order for the Collateral Monitor to lawfully perform Services; or

(D) There has been a Change in Control that results in control of the Collateral Monitor by a person or entity that is not approved as a result of the background screening conducted under FRBNY's standard vendor integrity program.

For purposes of this provision, "Change in Control" shall mean any of the following:



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(1) any Person (excluding for this purpose (a) the Collateral Monitor or any subsidiary of the Collateral Monitor or (b) any employee benefit plan of the Collateral Monitor or any subsidiary of the Collateral Monitor, or any person or entity organized, appointed or established by the Collateral Monitor for or pursuant to the terms of any such plan that acquires beneficial ownership of voting securities of the Collateral Monitor) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Collateral Monitor representing more than fifty percent (50%) of the combined voting power of the Collateral Monitor's then outstanding securities; provided, however, that no Change in Control will be deemed to have occurred as a result of a change in ownership percentage resulting solely from an acquisition of securities by the Collateral Monitor; or

(2) Persons who as of the Effective Date constitute the board of directors of the Collateral Monitor (the "Board," and the directors, "Incumbent Directors") cease for any reason, including without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board, provided that any person becoming a director of the Collateral Monitor subsequent to the Effective Date shall be considered an Incumbent Director if such Person's election or nomination for election was approved by a vote of at least fifty percent (50%) of the Incumbent Directors; but provided further, that any such Person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director; or

(3) consummation of a reorganization, merger or consolidation or sale or other disposition of at least eighty percent (80%) of the assets of the Collateral Monitor (a "Business Combination"), in each case, unless, following such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners of outstanding voting securities of the Collateral Monitor immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the company resulting from such Business Combination (including, without limitation, a company that, as a result of such transaction, owns the Collateral Monitor or all or substantially all of the Collateral Monitor's assets either directly or through one or more subsidiaries) insubstantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding voting securities of the Collateral Monitor.



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## SCHEDULE C

**Criteria for Written Instructions from the Company**

A Written Instruction shall constitute a valid instruction of the Company if it is given by one of the authorized signatories set forth below. This Schedule C may be amended from time to time by FRBNY, in its capacity as managing member of the Company, in its sole discretion upon written notice to the Collateral Monitor.



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## SCHEDULE D

## Information Barrier and Conflict of Interest Procedures

### Conflict of Interest, Confidentiality, Privacy and Risk Management Procedures and Policies for the TALF Collateral Monitor Program

**Purpose**

Pacific Investment Management Company LLC ("PIMCO") has been selected by the Federal Reserve Bank of New York ("FRBNY") to provide certain analytical, reporting, valuation and advisory services related to certain asset-backed securities (such collateral monitoring services, the "Restricted Services"), in connection with the Term Asset-Backed Securities Loan Facility (the "TALF Program").

In the performance of Restricted Services for the FRBNY, certain PIMCO employees and independent contractors engaged by PIMCO ("personnel") may be placed in a position that could potentially create a conflict of interest. The FRBNY has required PIMCO to establish ethical wall procedures in connection with such services that are intended to protect the confidentiality of such information and mitigate any conflicts of interest by implementing measures designed to restrict access to such information by PIMCO personnel not involved in providing Restricted Services to the FRBNY. The FRBNY has also required PIMCO to implement risk management, risk event, reporting, and business continuity policies and procedures in connection with the Restricted Services.

**Summary**

**PIMCO personnel providing Restricted Services to the FRBNY shall be classified as "Restricted Persons." Restricted Persons will be required to maintain the confidentiality of the information they receive. This is a critical component of PIMCO's provision of the Restricted Services in connection with the TALF Program.**

Restricted Persons shall not discuss or share with anyone other than a Restricted Person (including Other FRBNY Service Providing Employees (as defined below) that are not involved in providing the Restricted Services), the FRBNY and its representatives, any confidential information that is obtained while working in the capacity as a Restricted Person ("TALF Confidential Information"), whether obtained through the FRBNY, a contractor or agent of the FRBNY or otherwise. Restricted Persons may disclose TALF Confidential Information to Legal and Compliance staff and other persons who sit atop of the ethical wall or straddle the ethical wall on a need-to-know and confidential basis.

Restricted Persons may be required to perform all work related to the Restricted Services in one or more locations segregated from other non-restricted personnel, other than those personnel who provide services to the FRBNY pursuant to the Investment Management Agreement entered into between the Commercial Paper Funding Facility II LLC and the Collateral Monitor relating to the CPFF Program (such employees, "Other FRBNY Service Providing Employees," and the services they provide to the FRBNY, the "Other FRBNY Services").



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In addition, as set forth below, while the FRBNY continues to be engaged in lending activity for the TALF Program Restricted Persons will be prohibited from trading Restricted ABS (to be defined in the Collateral Monitor Agreement entered into between PIMCO and the FRBNY relating to the TALF Program) ("Restricted ABS"), either personally or on behalf of PIMCO clients.

**Procedures**

**Identification of Restricted Persons**

PIMCO will identify as Restricted Persons those personnel assigned to provide Restricted Services. The Compliance Department shall maintain a list of Restricted Persons (the "TALF Restricted Persons List"), including the date such personnel became a Restricted Person, as well as the date of removal from the list. Upon request, PIMCO shall provide a copy of the TALF Restricted Persons List to the FRBNY.

All Restricted Persons shall have been informed of the confidential nature of the TALF Confidential Information, and specifically, PIMCO's obligations with respect thereto, and will be required to complete the annual acknowledgement of compliance with the Code of Ethics and MNPI Policy.

Each Restricted Person shall participate in and complete compliance training regarding these procedures. The Compliance Department will keep a record of the completion of such training.

**Confidentiality Obligations**

All PIMCO personnel who are Restricted Persons shall be prohibited from discussing or sharing TALF Confidential Information with any PIMCO representative who is not a Restricted Person, or with any non-PIMCO personnel other than those of the FRBNY and its designated representatives and subcontractors. Restricted Persons may disclose TALF Confidential Information to Legal and Compliance staff and other persons who sit atop of the ethical wall or straddle the ethical wall on a need-to-know and confidential basis.

**Termination of Restricted Person Status**

If a Restricted Person will no longer be providing Restricted Services, such person's electronic keypass access to the segregated areas described below will be terminated and such person shall be removed from the TALF Restricted Persons List. Such person shall continue to be subject to the restrictions of this policy until the earlier of (a) six weeks after the Chief Compliance Officer ("CCO") or designee has determined that such person no longer has access to TALF Confidential Information; (b) six weeks after the TALF Program Final Termination Date; or (c) such earlier time identified in writing to the Collateral Monitor by FRBNY. However, even after removal from the Restricted Persons List, such persons shall continue to be subject to confidentiality obligations, and may not disclose TALF Confidential Information to non-restricted personnel.



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**Physical Separation of Restricted Persons**

Restricted Persons, when required due to the nature of their services, will work in physical locations that are segregated from the general trading, brokerage, or sales activities, if any, or other activities that may be in conflict with the duties PIMCO owes to the FRBNY under the Collateral Monitor Agreement entered into between PIMCO and the FRBNY relating to the TALF Program, provided that, for purposes of clarity, they may work in the same location as Other FRBNY Service Providing Employees. PIMCO will maintain one or more areas that are segregated from other areas of PIMCO where these personnel shall perform Restricted Services for the FRBNY. The CCO or designee, in consultation with other senior members of the team assigned to provide Restricted Services, will determine the functions and personnel that are required to be so segregated. Key factors to be considered in such determination will include the sensitivity and nature of the work being performed. Restricted Services may be performed only in the segregated locations. To the extent that a Restricted Person performs functions unrelated to the Restricted Services, such work may be performed by such persons, including outside of the segregated physical locations, provided that such Restricted Person must observe Restricted Services confidentiality requirements at all times. Restricted Persons providing the Restricted Services shall have computers kept in the segregated physical location and all work related to providing the Restricted Services will be conducted only on such computers. Restricted Services work product will be housed in restricted directories or on secure servers separate from PIMCO's primary servers, provided that such servers may also house data needed in connection with the Other FRBNY Services.

Restricted Persons may not remove any TALF Confidential Information from segregated locations unless appropriate precautions are taken to ensure that such TALF Confidential Information remains secure. All discussions of TALF Confidential Information shall be conducted in segregated locations or in an appropriate alternative secured area.

Access to physical locations that are segregated from other PIMCO associates shall be limited to only those personnel identified as Restricted Persons and the Other FRBNY Service Providing Employees, provided that normal access for janitorial, facilities and maintenance services shall be permitted. PIMCO shall take reasonable care that TALF Confidential Information shall not be disclosed to individuals providing janitorial, facilities or maintenance services An electronic keypass allowing access to these locations will be required for entrance into the segregated spaces and shall be limited to Restricted Persons, the Other FRBNY Service Providing Employees and individuals providing janitorial, facilities and maintenance services. Keypass access and related protocols shall not apply to Restricted Persons temporarily working from home due to COVID-19 (as discussed further below). A Restricted Person that no longer is considered to have TALF Confidential Information or access to such information will be removed from the TALF Restricted Persons List.

In addition, the CCO and senior attorneys, compliance officers and operational personnel supporting the Compliance Department may have access to the segregated areas for purposes of implementing and monitoring these procedures.



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**Physical Separation of Restricted Persons Temporarily Working from Home Due to COVID-19**

These ethical wall procedures shall apply to Restricted Persons who are temporarily permitted to work from home due to COVID-19, to the extent applicable.

Restricted Persons working from home must ensure the confidentiality of TALF Confidential Information and take all necessary precautions in that regard, including: (i) safeguarding physical documents, (ii) protecting passwords; (iii) restricting visual access to screens, (iv) locking unattended computer screens, and (v) not discussing the Restricted Services in the presence of non-PIMCO personnel. Restricted Persons shall work in a separated room/area if other family members or guests are at home.

To maintain control over external systems access and verify proper authorization, Restricted Persons working from home are required to use that provide multi-factor authentication. In addition to entering the user's PIMCO User ID and password, the remote user must also enter an in order to obtain network access. The remote connection to the corporate network is also protected over SSL encrypted protocol.

Restricted Persons working from home shall not save or store Restricted Services records on any personal, non PIMCO-issued electronic devices. Paper records created while working from home shall be brought back to the office upon returning to a PIMCO office. All electronic records must be stored on PIMCO's systems.

PIMCO business, including the Restricted Services, must be conducted using a secure network and never over an unsecured WiFi network.

Restricted Persons working from home shall disconnect or move out of listening range any voice-activated assistants (Alexa, Google Assistant and similar devices) in or near their remote work space.

Restricted Persons working from home will be required to certify to their compliance with these ethical wall procedures initially and on a periodic basis thereafter. The Compliance Department shall keep a record of these certifications.

**Special Restrictions Applicable to Restricted Persons that have a substantive role in developing and providing advice/guidance to the FRBNY ("Special Restricted Persons")**

Due to the sensitive nature of the information obtained as a result of performing the Restricted Services and the potential for conflicts of interest, Special Restricted Persons shall be prohibited from trading or valuing Restricted ABS in accordance with restrictions to be set forth in the Collateral Monitor Agreement on behalf of anyone other than the FRBNY. Such Special Restricted Persons may resume performing these functions for other clients in accordance with restrictions to be set forth in the Collateral Monitor Agreement.

Moreover, Special Restricted Persons will be prohibited from accessing PIMCO's general systems for the purpose of reviewing portfolio holdings that are or may become Restricted ABS or from accessing any other data that could reasonably be expected to cause a material conflict.



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Notwithstanding the foregoing, Special Restricted Persons will be allowed to receive and/or access the following information (for purposes of clarity, without providing any TALF Confidential Information): general information about PIMCO, general market color, CUSIP and deal level surveillance (including analyst assessment and rating of credit risk), views on liquidity conditions, views on deteriorating or improving loans, updates on market views (including views on individual CUSIPS), anecdotal news regarding underlying loans, and updated modeling information.

Special Restricted Persons may perform functions unrelated to the TALF Program, subject to compliance with the policies set forth herein and the Collateral Monitor Agreement.

**Discussion of Non-Confidential Information Regarding the Restricted Services**

A Restricted Person may speak with an unrestricted person regarding the Restricted Services or vice versa, only if (i) the information shared by the Restricted Person does not involve any TALF Confidential Information; and (ii) the information shared by the non-Restricted Person does not relate to any PIMCO managed funds or accounts that are or are expected to become borrowers under the TALF Program. Such communication is permitted only with prior consultation with the Compliance Department. The Compliance Department will evaluate any issues arising from such communication, including the likelihood that TALF Confidential Information will be revealed. If such communication is permitted, Compliance personnel shall define the permitted scope of such communication to both parties. Any such communications shall only take place in the presence of Compliance personnel.

**An employee who is not assigned to work on Restricted Services, and therefore who is not defined as a Restricted Person, will not be permitted to respond to any inquiry about the program without prior consultation with, and approval by the CCO or any attorney in the legal department).**

**Delegates and Third Party Vendors**

Restricted Persons may discuss TALF Confidential Information with any delegate or third party vendor; provided that (i) such delegate or third party vendor shall have been approved by the FRBNY and shall have entered into a confidentiality agreement related to the TALF Confidential Information that is substantially similar to confidentiality requirements of the Collateral Monitor Agreement prior to any such discussions, (ii) the employees of any such delegate or third party vendor that will receive TALF Confidential Information have been made aware of the confidentiality restrictions, and (iii) the names of such employees have been provided to, and approved by, the FRBNY prior to any such discussions. PIMCO shall maintain an up-to-date list of such employees of any such delegates and third-party vendors.

**Personal Trading by Restricted Persons**

PIMCO personnel are subject to a Code of Ethics as required by Rule 17j-1 under the Investment Company Act of 1940 and Rule 206A-1 of the Investment Advisers Act of 1940. All personnel of PIMCO are considered access persons and are subject to the preclearance and reporting requirements of PIMCO's Code of Ethics.

The Code of Ethics includes provisions advising personnel of their obligations and requirements under the law and the penalties they will face by trading on inside information or information



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obtained by their role within PIMCO, which may be considered material non-public information. The provisions and obligations of the Code of Ethics apply to PIMCO's provision of Restricted Services to the FRBNY and personnel are strictly prohibited from trading on any confidential information obtained through their duties as an employee with access to TALF Confidential Information.

While (i) any Restricted Person is assigned to provide Restricted Services under the TALF Program, and (ii) the FRBNY continues to be engaged in lending activity for the TALF Program, such Restricted Person may not purchase or sell any TALF eligible ABS. After a Restricted Person's assignment terminates, such restrictions shall continue to apply until the earlier of (i) six weeks after such person's assignment terminates and (ii) the date the FRBNY completes its active lending pursuant to the TALF Program. Notwithstanding the above, a Restricted Person may, however, own interests as part of a commingled fund or ETF and may continue to hold restricted financial interests acquired prior to such Restricted Person's assignment to provide Restricted Services under the TALF Program. To ensure compliance with this provision, a Restricted Person may be required to submit financial statements and/or other information upon the request of Compliance personnel. If any Restricted Person currently holds Restricted ABS, such Restricted Person should discuss whether such interest poses a conflict that requires some remediation plan or waiver with the Compliance Department. The Compliance Department shall conduct periodic reviews of all employee trading activity with the objective of detecting activities inconsistent with the firm's Code of Ethics.

**Compensation of Restricted Persons**

The compensation of Special Restricted Persons must be aligned with their responsibilities under the Collateral Monitor Agreement while they provide Restricted Services under the TALF Program and, for that period, must be distinct from the compensation programs associated with their prior portfolio management responsibilities. Factors that may be taken into account in determining a Special Restricted Person's compensation for that period include:

(a) The Special Restricted Person's individual performance and productivity (including portfolio management responsibilities prior to such Special Restricted Person's assignment to provide Restricted Services under the TALF Program);

(b) The overall quality and accuracy of the Special Restricted Person's research and valuation activities; and

(c) The firm's overall performance.

The compensation of other Restricted Persons should take into account, among other things, such person's individual performance and productivity with respect to such person's involvement in, and/or performance of Restricted Services.

**Special Requirements for System Security**

PIMCO's computer systems will implement measures that are reasonably designed to restrict access to TALF Confidential Information only to those individuals identified as Restricted Persons. At the time a person is removed from the Restricted Persons list, their access to the system used for the Restricted Services shall be removed.



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It shall be considered a serious violation if an employee, who is not identified as a Restricted Person, circumvents or attempts to circumvent established procedures to access the system without authorization.

Through the use of network storage capabilities, PIMCO will save and store documents that are accessible to specific users assigned to the Restricted Services mandate. The network shall allow users to save and store documents in a folder structure that is identified as a specific directory on PIMCO's network. The directory will only be accessible to Restricted Persons.

PIMCO shall limit access to printers and fax machines in segregated locations to Restricted Persons and Other FRBNY Service Providing Employees only. Printers and fax machines outside of segregated locations may not be used by the Restricted Persons while they are assigned to working in the segregated areas.

Email communications must be encrypted or otherwise secured to the satisfaction of FRBNY based upon agreed to procedures.

PIMCO shall ensure that all critical applications and its data are synchronized three times daily via redundant computer equipment and disk arrays located at a production data center that is located at a separate facility. Specific details of this redundancy and additional protections are outlined in PIMCO's Disaster Recovery Plan and Procedures, which shall be available for review.

**Incident Reporting**

Personnel of PIMCO shall be required to promptly report any breach or suspected breach of these procedures to the Compliance Department. The Compliance Department shall maintain a log of all incidents and will complete a review of any reported incidents. The results of the review shall be analyzed and reported to FRBNY. Appropriate actions or mitigating remedies, such as counseling an employee, will be identified and implemented in an effort to avoid similar incidents. PIMCO shall report to FRBNY the occurrence of any Risk Event.

**Compliance Training**

All Restricted Persons, other than PIMCO lawyers, shall complete compliance training specifically designed for use in connection with the provision of Restricted Services.

The compliance training program will inform each employee of their obligations as a Restricted Person under these procedures.

The Compliance Department shall be responsible for ensuring each Restricted Person is properly trained and that all required documentation, including the non-disclosure agreement, has been completed prior to placing any individual behind the ethical wall.

**Privacy Policy**

PIMCO's privacy policies are intended to supplement the controls in place for the protection of TALF Confidential Information. PIMCO considers customer privacy to be a fundamental aspect of its ability to effectively provide the Restricted Services and maintain trust with the client. The Compliance and Operations Departments shall oversee PIMCO's program to safeguard non-



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public personal information as is or would be required by Regulation S-P. PIMCO has adopted procedures that are designed to restrict access to this information. As a matter of policy, PIMCO will not disclose any personal or account information provided by clients to non-affiliated third parties, except as required by law or as otherwise permitted under such contracts with clients.

**Compliance Monitoring**

PIMCO has or will hire staff of compliance profession(s) who are/is responsible for testing and monitoring PIMCO's compliance policies and procedures. It is understood and agreed that such persons shall not be dedicated on a full time basis to performing such testing and monitoring. PIMCO's compliance program shall be assessed on an annual basis as part of an ongoing testing and monitoring process.

PIMCO's compliance program and its assessment process shall include assessment of procedures reasonably designed to prevent violations of its confidentiality and conflicts obligations under the Restricted Services. The requirements of the compliance program established by PIMCO will be applied to testing and monitoring of the ethical wall procedures for providing Restricted Services.

PIMCO has or will hire a staff of compliance professionals that are responsible for testing and monitoring PIMCO's compliance policies and procedures with respect to the Restricted Services. The CCO shall be an employee or officer of PIMCO. The testing and monitoring team will be required to perform periodic tests, including testing at least once during the first six months, to ensure that all procedures established for the control of TALF Confidential Information obtained as a result of the Restricted Services are being followed.

The testing and monitoring of these ethical wall procedures will include, but are not limited to, the following:

- Periodic review of the list of Restricted Persons maintained by the CCO to verify all personnel identified as such are properly listed;
- Perform a sample review of emails and other written communication used by Restricted Persons and other parties;
- Periodic general reviews and forensic surveillance of trading activities, such as timing and the pricing, relating to TALF eligible securities owned in other PIMCO managed accounts;
- Review of "potential conflicts of interest" in connection with the Services as provided to the FRBNY and (i) identify and report any additional conflicts that may arise in the course of providing the Services and (ii) monitor the execution of the mitigation plan set forth therein for its effectiveness;
- Review of personnel's adherence to the personal trading policies set forth in PIMCO's Code of Ethics; and
- Periodic review of those personnel granted electronic keypass access to segregated physical locations as well as any records of access if deemed necessary.



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**Testing of Business Continuity Plan**

PIMCO maintains a business continuity plan and periodically tests the effectiveness of the business continuity plan. The TALF Collateral Monitor processes and procedures will be likewise documented and tested on a periodic basis consistent with PIMCO's broader business continuity plan, and with appropriate controls surrounding confidentiality and conflicts of interest. PIMCO will report to the FRBNY on the results of such testing and provide the FRBNY such testing procedures upon request.

**Testing of Internal Controls**

PIMCO will establish processes and controls for the Restricted Services in collaboration with the FRBNY that shall be subject to change over time based on the reasonable requirements and preferences of the FRBNY. The primary processes and controls will be documented and provided to the FRBNY in writing. In addition, PIMCO shall develop appropriate testing procedures and periodically conduct an internal risk assessment and testing of the internal control processes in place in relation to the Restricted Services. PIMCO will provide the FRBNY with such testing procedures upon request. Restricted Persons will be directed to immediately report any Risk Events related to existing processes and controls that they become aware of to the appropriate manager.



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**SCHEDULE E**

**List of Initial Restricted Persons**

| Name | Function |
|---|---|
| | Business Management |
| | **Asset Expert/Analysis - CMBS** |
| | Operations |
| | **Asset Expert/Analysis - CLO** |
| | **Asset Expert/Analysis - ABS** |
| | **Analysis** |
| | Technology |
| | Technology |
| | Business Mgt/Staff Supervision |
| | **Asset Expert/Analysis** |

*People in bold are Special Restricted Persons



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**SCHEDULE F**

**List of Key Personnel**

| Name | Function |
|---|---|
| | Business Management |
| | Asset Expert/Analysis |
| | Business Mgt/Staff Supervision |



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