

P I M C O

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Newport Beach, CA 92660
Tel: 949.720.6000
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October 19, 2009

Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23219

Re: Notice of Termination of Advisory Services Agreement

Dear Sir/Madam:

Reference is made to that certain Advisory Services Agreement dated January 9, 2009 (as amended from time to time, the "Agreement"), between Pacific Investment Management Company LLC ("PIMCO") and the Federal Reserve Bank of Richmond ("Client"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto by the Agreement.

The parties hereby agree that effective immediately the Agreement is hereby terminated and, subject to the below, that such termination shall be subject to the survival provision in the Agreement (Section 19).

The parties further agree that notwithstanding the foregoing and anything else to the contrary in the Agreement, Section 6(d) of the Agreement is hereby terminated.

Sincerely,

[Redacted signature]



Acknowledged and Agreed:

Federal Reserve Bank of Richmond

By: [Redacted]
Name: [Redacted]
Title: [Redacted]

Approved as to form
[Redacted]
FEDERAL RESERVE BANK OF RICHMOND
10-20-09

THIRD AMENDMENT TO ADVISORY SERVICES AGREEMENT

This THIRD AMENDMENT (the "Agreement") to ADVISORY SERVICES AGREEMENT (as previously amended, the "Advisory Agreement") is made as of the 31st day of August, 2009 ("Effective Date") between Pacific Investment Management Company LLC, a Delaware limited liability company ("PIMCO") and the Federal Reserve Bank of Richmond, an organization chartered under federal law ("Client" and, together with PIMCO, the "Parties"). Capitalized terms used below but not otherwise defined herein shall have the meaning ascribed to such terms in the Advisory Agreement.

WHEREAS, Bank of America announced that it does not wish to proceed with consummation of the agreement with the Federal Reserve Bank of Richmond, the U.S. Treasury, and the Federal Deposit Insurance Corporation pursuant to the Eligible Asset Guarantee of January 15, 2009; and

WHEREAS, the Federal Reserve Bank of Richmond asked PIMCO to suspend further work on the assets related to the Eligible Asset Guaranty until further notice; and

WHEREAS, the Parties wish to temporarily suspend the Information Barrier and Conflict provisions in the Advisory Agreement for an indefinite period;

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Parties agree that the restrictions set forth in Section 6(d) of the Agreement are hereby suspended as of the Effective Date until such time as PIMCO receives written notice from the Client providing that such restrictions shall be reinstated (e.g., for purposes of clarity, any trading restrictions arising from the Advisory Agreement otherwise applicable to PIMCO employees that provided the valuation services are hereby suspended).
2. Except as expressly amended herein, all other terms and conditions of the Advisory Agreement remain in full force and effect in accordance with their terms.

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

FEDERAL RESERVE BANK OF RICHMOND

PACIFIC INVESTMENT MANAGEMENT COMPANY

By: [Redacted Signature]

By: [Redacted Signature]

Name: [Redacted Name]

Name: [Redacted Name]

Title: [Redacted Title]
and [Redacted Title]

Title: [Redacted Title]



SECOND AMENDMENT TO ADVISORY SERVICES AGREEMENT

This SECOND AMENDMENT TO ADVISORY SERVICES AGREEMENT (the "Agreement") is made as of the 23rd day of March, 2009 ("Effective Date") between Pacific Investment Management Company LLC, a Delaware limited liability company ("PIMCO") and the Federal Reserve Bank of Richmond, an organization chartered under federal law ("Client").

WHEREAS, Client and the USG parties are party to a transaction (the "Transaction") to protect Bank of America against certain losses on an asset pool (the "Covered Assets");

WHEREAS, Client and PIMCO entered into that certain Advisory Services Agreement dated January 9, 2009, and amended with effect from January 11, 2009 (as amended, the "Agreement"), related to portfolios of assets held by Bank of America Corporation or its subsidiaries ("Bank of America"); and

WHEREAS, Client and PIMCO wish to amend and supplement the Agreement, particularly with respect to the Statement of Work to provide for additional services;

NOW THEREFORE, the parties agree as follows:

1. Paragraph 1 (Scope and Delivery of Services) of the Agreement is amended to add a reference to Schedule C. All terms of the Agreement, unless specifically applicable to Schedule A or B, shall apply to the work performed pursuant to Schedule C.

2. Except as expressly amended herein, all other terms and conditions of the Agreement remain in full force and effect.

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

FEDERAL RESERVE BANK OF RICHMOND

By: _____

Name: _____

Title: _____

PACIFIC INVESTMENT MANAGEMENT COMPANY LLC

By: _____

Name: _____

Title: _____

SCHEDULE C

Scope of Work - Deliverables

1. Assistance in finalizing Transaction structure and arriving at agreed upon "carrying values"

Assisting in discussions with Bank of America in resolving differences between PIMCO's valuations with respect to the Covered Assets and Bank of America's carrying values with respect to the Covered Assets.

2. Further Analysis

Cumulative Loss Forecasts:

- a. Nonresidential Assets: PIMCO agrees to forecast cumulative estimated losses, on a base and stress case basis, in respect of the nonresidential assets for the five year period under the Transaction.
- b. Residential Assets: PIMCO agrees to forecast cumulative estimated losses, on a base and stress case basis, in respect of the residential assets for the ten year period under the Transaction.

E&Y to provide the list of assets subject to the above analysis.

PIMCO agrees to deliver the above analysis, along with a description of PIMCO's methodologies and assumptions, two weeks from March 23, 2009.

The parties understand and agree that the quality of the analysis described above is limited to the sufficiency of information relating to the subject assets necessary to conduct such analysis.

3. Developer Access

PIMCO will provide USG parties with a dedicated PIMCO contact for any inquiries related to the Services, including but not limited to questions pertaining to assumptions and methodologies used relating to such forecasts.

4. Fees

a. The fee for the Services described above shall be USD [REDACTED].
[REDACTED] The fee will be invoiced by PIMCO and payable by Client upon delivery of the Cumulative Loss Forecasts.

b. Unless otherwise agreed by the parties, the foregoing fee will be inclusive of any PIMCO out-of-pocket expenses.

c. PIMCO's primary engagement is to provide the deliverables referenced above. The parties agree to revisit the fee for the Services in good faith in the event that PIMCO informs the Client that the Services requested involves significant additional resources and/or efforts that go beyond those PIMCO has already put in place for the deliverables.

FIRST AMENDMENT TO ADVISORY SERVICES AGREEMENT

This FIRST AMENDMENT TO ADVISORY SERVICES AGREEMENT (the "Agreement") is made as of the 2nd day of February, 2009, with effect from January 11, 2009 ("Effective Date") between Pacific Investment Management Company LLC, a private limited liability partnership ("PIMCO") and the Federal Reserve Bank of Richmond, an organization chartered under federal law ("Client").

WHEREAS, Client and PIMCO entered into that certain Advisory Services Agreement dated January 9, 2008, related to estimated valuations and related services for one or more portfolios of assets, including securities and loans as described in Schedule A attached to the Advisory Services Agreement (the "Assets"), held by Bank of America Corporation or its subsidiaries ("Bank of America");

WHEREAS, PIMCO has completed the services described in Schedule A except with respect to the work needed related to the revised Covered Assets; and

WHEREAS, Client and PIMCO wish to amend and supplement the Advisory Services Agreement, particularly with respect to the Statement of Work to provide for additional services;

NOW THEREFORE, the parties agree as follows:

1. Paragraph 1 (Scope and Delivery of Services) of the Advisory Services Agreement is amended to state as follows:

1. Scope and Delivery of Services.

(a) PIMCO will perform the services described in Schedule B hereto ("Services"), which include any reports to be provided by PIMCO as part of the Services. The Services will be rendered in a manner consistent with the standard of care described in paragraph 7 of the Advisory Services Agreement.

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

(c) Client is in the process of hiring a forensic accounting firm ("Accountants") to provide due diligence services related to the Covered Assets and any substitute assets as may be presented by Bank of America and approved by Client and USG parties as eligible for the Transaction ("Substitute Assets"). PIMCO will work concurrently with the Accountants to perform the Services described in Schedule B, and will share any information related to the Services, including reports provided by PIMCO as part of the Services.

(d) Except as permitted below in this Section 1(c), the Services shall be provided by PIMCO solely for Client's internal use. Except as expressly permitted by this Agreement, Client shall not (i) sell, lease, sublicense or provide any of the Services or information produced by PIMCO in connection with the Services to any third party, or (ii) reverse engineer or otherwise use the Services in any way to develop, test, enhance or otherwise calibrate, on behalf of itself or any third party, any systems or services that are similar to any of the components of the Services. Notwithstanding the foregoing, Client shall be permitted to share information, including but not limited to the reports, provided by PIMCO on a need to know basis with: (i) its officers, employees, board of directors, and auditors; (ii) the United States Department of Treasury,

Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (the "USG parties"), (iii) the Board of Governors of the Federal Reserve System; (iv) Client's outside counsel and public accounting firm; (v) Bank of America, Merrill Lynch (provided such persons are under an obligation to keep such information confidential and only use such information for the contemplated purposes); (vi) Client's Accountants; and (vii) any other party with the prior written consent of PIMCO.

2. Paragraph 11 (Notices) of the Advisory Services Agreement is amended to state as follows:

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

If to Client:

Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23219
Attention: [REDACTED]

With a copy to:

Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23219
Attention: [REDACTED]
[REDACTED]
[REDACTED]

If to PIMCO:

Pacific Investment Management Company, LLC
840 Newport Center Drive
Newport Beach, CA 92660
Attention: [REDACTED]

Notices will be deemed given only upon actual receipt.

3. Except as expressly amended herein, all other terms and conditions of the Advisory Services Agreement remain in full force and effect.

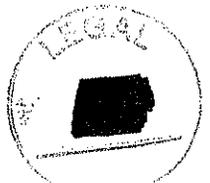
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and sealed as of the Effective Date.

FEDERAL RESERVE BANK OF
RICHMOND

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]

PACIFIC INVESTMENT MANAGEMENT
COMPANY LLC

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]



Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (the "USG parties"), (iii) the Board of Governors of the Federal Reserve System; (iv) Client's outside counsel and public accounting firm; (v) Bank of America, Merrill Lynch (provided such persons are under an obligation to keep such information confidential and only use such information for the contemplated purposes); (vi) Client's Accountants; and (vii) any other party with the prior written consent of PIMCO.

2. Paragraph 11 (Notices) of the Advisory Services Agreement is amended to state as follows:

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

If to Client:

Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23219
Attention: [REDACTED]

With a copy to:

Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23219
Attention: [REDACTED]

or by facsimile to: [REDACTED]

If to PIMCO:

Pacific Investment Management Company, LLC
840 Newport Center Drive
Newport Beach, CA 92660
Attention: [REDACTED]

Notices will be deemed given only upon actual receipt.

3. Except as expressly amended herein, all other terms and conditions of the Advisory Services Agreement remain in full force and effect.

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

FEDERAL RESERVE BANK OF
RICHMOND

By: [REDACTED]

Name: [REDACTED]

Title: [REDACTED]

PACIFIC INVESTMENT MANAGEMENT
COMPANY LLC

By: [REDACTED]

Name: [REDACTED]

Title: [REDACTED]

SCHEDULE B

Evaluation of Bank of America Exposures: Statement of Work

1. Background

a. Client and the USG parties are party to a transaction to protect Bank of America against certain losses on an asset pool (the "Transaction").

- The asset pool proposed by Bank of America comprises financial instruments consisting of securities backed by residential and commercial real estate loans and corporate debt, derivative transactions that reference such securities, loans, and associated hedges, as agreed to by the USG parties (the "Covered Assets"). See Advisory Services Agreement, Schedule A, Annex I and II. See also the Term Sheet at <http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20090115a1.pdf>

- The Covered Assets include assets that are not required to be carried at their market values by Bank of America (the "Accrual Assets") and those that are marked-to-market (the "Mark-to-Market Assets").

b. Bank of America will be presenting Client and the USG parties with a list of Substitute Assets for the Transaction, which will be determined by Client and USG parties by January 30, 2009, or as soon as practicable thereafter. These Substitute Assets were not approved for the Transaction as of January 16, 2009, but may be included at a later date. PIMCO understands that the pool of Covered Assets may change materially during negotiations with Bank of America ("Pool Changes").

2. Timeline & Deliverables

➤ **January 15, 2009: Re-Valuation of Covered Assets as of January 11, 2009.**

- Valuation. PIMCO will provide another report showing cumulative realized credit losses for Covered Assets as of January 1, 2009.
- Loss Projections. In the report, PIMCO will produce projections of cumulative realized credit losses for the Covered Assets in base and stress scenarios.

For delivery of pre-final valuations and loss projections, PIMCO will strive to deliver the maximum number as quickly as possible. Given the complexity of the book, the final assessment may differ materially from preliminary results. The Covered Assets span a wide variety of assets classes in loan and security form.

➤ **Expected January 23 - 30, 2009 (may be adjusted by the parties in good faith based on timing of identification of Substitute Assets): Valuation of Covered Assets after January 16, 2009.**

- Valuation. On an as needed basis, PIMCO will provide a report showing cumulative realized credit losses for proposed Substitute Assets.
- Loss Projections. In the report, PIMCO will produce projections of cumulative realized credit losses for the Substitute Assets in base and stress scenarios.

For delivery of pre-final valuations and loss projections, PIMCO will strive to deliver the maximum number as quickly as possible. Given the complexity of the book, the final assessment may differ materially from preliminary results. The Covered Assets span a wide variety of assets classes in loan and security form.

➤ **February 16, 2009: Final Valuation and Loss Projection Report on Confirmed Covered Assets.**

- Valuation. PIMCO will provide a final report showing cumulative realized credit losses as of January 15, 2009 for total Covered Assets confirmed by the Accountants as being pledged by Bank of America to secure the committed loan amount of \$118 billion.
- Loss Projections. In the final report, PIMCO will produce projections of cumulative realized credit losses as of January 15, 2009 for the total pledged Covered Assets in optimistic, base and stress scenarios. In the event the USG parties disagree with the underlying assumptions in such stress scenario, PIMCO will provide an adjusted output.
- Mark to Market Valuation. PIMCO will provide marked-to-market valuation as of January 15, 2009 on a statistically significant sample of the Covered Assets.

➤ **February 16, 2009: Management Book.**

PIMCO will produce a management-level presentation covering:

- an overview of the asset class exposures,
- methodology--a white paper that details the methodological theory and logic for each asset class valued,
- assumptions--details on key assumptions and output sensitivity to each,
- data--constraints and assumptions, adjustments, and elements used
- loss projections,
- variances in PIMCO prices versus Bank of America prices, including any potential explanations as to these variances (Client agrees to provide PIMCO with Bank of America prices and book values, as applicable, as of January 15, 2009)

To this end, Client will provide PIMCO with market values for each asset to facilitate this comparison.

Client understands that PIMCO's ability to deliver the requested deliverables within the requested timeframe, and the quality of such deliverables, will depend on the scope and timing of the information (including relevant deal documents) provided to PIMCO.

Client understands that valuations will be based on broker quotes and/or third party vendor prices where reasonably available, adjusted where appropriate to reflect PIMCO's estimate of market value.

4. Developer Access

PIMCO will provide USG parties with a dedicated PIMCO contact for any inquiries related to the asset valuation process and output, including but not limited to questions pertaining to assumptions and methodologies used.

5. Fees

- a. The fee for the Services described above shall be [REDACTED]. The fee will be invoiced by PIMCO and payable by Client after PIMCO's delivery of the deliverables described above.
- b. The foregoing fee will be inclusive of any PIMCO out-of-pocket expenses.
- c. PIMCO's primary engagement is to provide the deliverables referenced above. The parties agree that review of the Covered Assets and Substitute Assets on an expedited timetable may require significant additional time and expense for PIMCO. The parties agree to revisit the fee for the Services in good faith in the event that PIMCO informs the Client that the analysis requested with respect to Pool Changes involves significant additional resources and efforts that go beyond those PIMCO has already put in place for the deliverables.

ADVISORY SERVICES AGREEMENT

This ADVISORY SERVICES AGREEMENT (the "Agreement") is made as of the 9th day of January, 2009 ("Effective Date") between Pacific Investment Management Company LLC, a private limited liability partnership ("PIMCO") and the Federal Reserve Bank of Richmond, an organization chartered under federal law ("Client"). WHEREAS, Client wishes to engage PIMCO to provide estimated valuations and related services for one or more portfolios of assets, including securities and loans as described in Schedule A hereto (the "Assets"), held by Bank of America Corporations or its subsidiaries ("Bank of America").

NOW, THEREFORE, the parties hereby agree as follows:

1. Scope and Delivery of Services. (a) PIMCO will perform the services described in Schedule A hereto ("Services"), which include any reports to be provided by PIMCO as part of the Services. The Services will be rendered in a manner consistent with the standard of care described in paragraph 7 herein.

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

(c) Except as permitted below in this Section 1(c), the Services shall be provided by PIMCO solely for Client's internal use. Except as expressly permitted by this Agreement, Client shall not (i) sell, lease, sublicense or provide any of the Services or information produced by PIMCO in connection with the Services to any third party, or (ii) reverse engineer or otherwise use the Services in any way to develop, test, enhance or otherwise calibrate, on behalf of itself or any third party, any systems or services that are similar to any of the components of the Services. Notwithstanding the foregoing, Client shall be permitted to share information, including but not limited to the reports, provided by PIMCO on a need to know basis with: (i) its officers, employees, board of directors, and auditors; (ii) the United States Department of Treasury, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (the "USG parties"), (iii) the Board of Governors of the Federal Reserve System; (iv) Client's outside counsel and public accounting firm; (v) Bank of America, Merrill Lynch (provided such persons are under an obligation to keep such information confidential and only use such information for the contemplated purposes); and (vi) any other party with the prior written consent of PIMCO.

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

3. Representations by PIMCO. PIMCO represents and warrants that (a) the execution, delivery, and performance of this Agreement have been duly authorized and shall not conflict with any obligation of PIMCO, (b) this Agreement constitutes a valid and binding obligation of PIMCO, (c) PIMCO has all rights necessary to provide the Services contemplated herein, and (d) PIMCO shall comply with all applicable laws, rules, and regulations in its provision of the Services. In addition, PIMCO represents that it is not currently subject to any public or, to its knowledge, any non-public investigations, pending or existing enforcement actions, or insolvency proceedings. For the avoidance of doubt, routine or sweep regulatory examinations do not constitute

investigations. Unless prohibited by law or negotiation, PIMCO shall immediately notify Client if it becomes aware of any such investigations, actions, or proceedings during the term of this Agreement. PIMCO HEREBY DISCLAIMS ANY OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4. Risk Considerations and Acknowledgments. Client understands that estimated valuation and risk measurement analyses rely on certain assumptions and judgments, such as with respect to movement in and volatility of interest rates and spreads, and relative risks and the relationship between risk factors (such as the relationship of mortgage prepayments to interest rates). These analyses, models, and methodologies are generally based on observations of past market behavior that may not hold true in the future. Such assumptions may not cover all aspects of, or risks inherent in, the portfolios at issue. Client understands that the estimated valuation and risk analyses are also dependent on the integrity of the security data to which access is provided by Client (as part of the Client Data), as well as economic data used in the analyses. PIMCO will, subject to the standard of care set forth in paragraph 7, model the portfolios using the Client Data, third party data, and other available sources. PIMCO will depend solely on Client Data with respect to the Assets for its analyses. While PIMCO's analyses performed to create the reports are based on information PIMCO in good faith deems to be reliable, PIMCO in no case guarantees their accuracy or completeness. Client acknowledges that significant professional disagreement exists regarding the accuracy and validity of these types of analyses and methodologies, and that there is no assurance that the analyses and methodologies used by PIMCO or provided by PIMCO are or will be appropriate for Client or the Assets. Client further acknowledges that not all Assets covered by the Services may lend themselves to estimated valuation measures or explicit analytically derived risk measures and that PIMCO may not have procedures, methods, or models appropriate for valuation or risk analyses of certain types of Assets. PIMCO will consult with Client's designated representative in such cases to determine the appropriate methodology for analysis of these Assets for the Services. In the absence of input from Client in such instances, PIMCO will use its judgment to analyze the Assets.

Client acknowledges and agrees, subject to PIMCO's obligations in Section 6, below, that (a) PIMCO's sole responsibility in connection with this Agreement is to provide the Services set forth herein to aid Client and the USG parties in the analysis of certain of the Assets; (b) the Services to be provided by PIMCO, including its analyses, are solely estimated and advisory in nature and should only be relied upon by Client as such; (c) while PIMCO does not make a market in the Assets covered by this Agreement, PIMCO or its affiliates (for itself or on behalf of its clients) may own positions in such Assets or the individual assets underlying them (whether long or short) and PIMCO and its affiliates (for itself or on behalf of its clients) shall not be restricted from transacting in them; (d) if PIMCO or its affiliates owns (for itself or on behalf of its clients) any of the Assets covered by this Agreement, the valuations used by PIMCO for portfolio management purposes may differ from those provided to Client as part of the Services due to PIMCO fund requirements (e.g., fund pricing policies and price sourcing protocols); (e) PIMCO is not serving as an investment advisor or fiduciary, or making any investment recommendations or soliciting any action based on its Services; (f) Client will be solely responsible for forming its own judgments as to accounting treatment or the valuation, purchase, or sale of any of the Assets; and (g) Client is solely responsible for the adoption, implementation, and management of any advice or recommendations provided hereunder. Accordingly, PIMCO will not be responsible or have any liability for any actions of or conclusions drawn by Client with respect to any matter, whether or not such conclusions are based to any extent on the Services provided by PIMCO except where such actions or conclusions of the Client were taken based on a breach of PIMCO's duties under this Agreement.

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

6. Confidential Information and Limited Access.

(a) Confidential Information Defined. PIMCO acknowledges that all information and material that has or will come into the possession or knowledge of PIMCO, whether provided directly or indirectly by Client or USG party, or by Bank of America, or by a contractor or agent of Client, in connection with the Services provided under this Agreement, including but not limited to:

- the terms, conditions, and existence of this Agreement;
- information regarding the business affairs of Bank of America and of its subsidiaries, including the identity and amount of the Assets and Bank of America's and its subsidiaries' operations and investments;
- reports, briefing material, information and data, both written and oral, related to this Agreement;
- financial information, condition, processes, and procedures of Client and of any USG party;
- material related to Client's data processing systems, operations, applications, procedures, policies and standards;
- the physical security of Client;
- financial, statistical and personnel data pertaining to Client, member banks of the Federal Reserve System, foreign central banks and international organizations, and other financial institutions; and
- financial, statistical, strategic planning, and other similar information relating to the past, present or future activities of Client, which has or may come into the possession or knowledge of PIMCO in connection with this engagement or its performance hereunder

(any and all of the above, "Confidential Information") shall be considered to be confidential and proprietary, the disclosure of which to, or use by, third parties will be damaging to Client. Subject to the Exception paragraphs below, no such Confidential Information shall be duplicated or used by or disclosed to third parties without the written consent of Client.

(b) Exceptions. PIMCO shall have no obligation under this Agreement with respect to any information that: (i) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than PIMCO in violation of this Agreement; (ii) is subsequently learned from a third party that, to the knowledge of PIMCO, is not under an obligation of confidentiality to Client; (iii) was known to PIMCO at the time of disclosure other than from Client or its provision of services under this Agreement; (iv) is generated independently by PIMCO without reference to the Confidential Information; or (v) is disclosed pursuant to an obligation under applicable law, regulation, subpoena, or other legal process, or in connection with the enforcement of PIMCO's rights against Client under this Agreement.

PIMCO shall notify the General Counsel of Client, or his designee, promptly if disclosure is requested or required pursuant to any law, regulation, subpoena, or other legal process other than routine regulatory examinations (e.g., by the SEC, etc.). If Client becomes aware that PIMCO is requested or required to disclose information regarding Bank of America or its subsidiaries, Client will promptly notify Bank of America, in writing, so that Bank of America may seek a protective order or other appropriate remedy or waive compliance with the provisions of

this Agreement. PIMCO further agrees that in the event that disclosure is so requested or required under any such law, governmental or administrative rule, or regulation, it will take all steps reasonably required to protect the confidentiality of the Confidential Information being disclosed, including but not limited to: (i) entertaining and considering any argument that the Client wishes to make that disclosure is not required and/or that such disclosure is in violation of the terms and conditions of this Agreement; (ii) providing the Client, at the expense of the Client, with all reasonable assistance in resisting or limiting disclosure; (iii) advising the recipient that the Confidential Information is subject to the confidentiality provisions of this Agreement; and (iv) using reasonable efforts to obtain an appropriate stipulation or order of confidentiality. Bank of America will have enforcement rights with respect to its Confidential Information.

(c) PIMCO agrees to limit the access to Confidential Information only to its officers, directors, employees, and agents (including independent consultants) and to those of its wholly-owned subsidiaries who are necessary to its performance of the Services or the enforcement of its rights hereunder. PIMCO shall require all its officers, directors, employees, and agents (including independent consultants) and those of its wholly-owned subsidiaries to keep all such information obtained by them as strictly confidential, and shall provide such information only to agents who are bound by a duty of confidentiality substantially similar to those of PIMCO hereunder. PIMCO will be responsible for compliance with the confidentiality and non-disclosure obligations under this Agreement. In addition, neither PIMCO nor any of its officers, directors, employees, or agents (including independent contractors) or those of its wholly-owned subsidiaries will duplicate, use, disclose, or allow the use of any Confidential Information for any purpose except as necessary in connection with PIMCO's engagement hereunder without the prior written consent of Client.

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

(i) PIMCO shall provide Client with the internal ethics policies and procedures put in place to govern the conduct of its employees. Consistent with Section 6(c) above, these policies and procedures must be designed at a minimum to ensure that (x) personnel assigned to provide the Services hereunder are segregated from PIMCO's portfolio management group and trading group personnel (the "Restricted Persons"), save with respect to any work performed during the initial weekend, from January 9, 2009 through January 11, 2009, and (y) any Confidential Information is not shared with such Restricted Persons except as provided in 6(d) (iii) below. In addition, PIMCO employees performing valuation services under this Agreement shall be restricted for the term of the Agreement and ~~six months thereafter~~ from (1) being engaged to provide valuation services by a potential purchaser of a portfolio(s) of the Assets from Bank of America, (2) assisting any PIMCO personnel contemplating the purchase of a portfolio(s) of such Assets in its capacity as investment manager or (3) engaging in, or assisting any other person engaging in the purchase, sale, or trading of securities, instruments or loan positions that are, or are derivatives of or on the Assets; provided, for purposes of clarity, PIMCO employees performing valuation services under this Agreement shall not otherwise be restricted from providing portfolio management services to other clients or from communicating non-Confidential Information with Restricted Persons. For the avoidance of doubt, the foregoing shall not restrict PIMCO from being engaged to provide valuations on the same securities, instruments or loan positions on another entity's books (i.e., not Bank of America or an affiliate thereof) provided that PIMCO does not use or disclose any Confidential Information.

(ii) With the advance written approval of Client (from the date hereof), and subject to PIMCO's information barrier policies and procedures, specific Restricted Persons maybe brought "over

the wall" and provided Confidential Information in order to provide additional support for PIMCO's provision of the Services. Any such authorization will be vetted and documented by PIMCO's Legal and Compliance Group in accordance with PIMCO's information barrier policies and procedures.

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

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

(e) FOMC and Bank Supervision Information. PIMCO will not ask for or be provided with confidential information regarding monetary policy, open market operations or, the Federal Open Market Committee. In addition, PIMCO will not ask for or be provided with confidential supervisory information gathered in connection with the Client's Banking Supervision examination authority. In the event of inadvertent disclosure of such information to PIMCO, PIMCO will immediately report such disclosure by telephone to the Senior Vice President in charge of Banking Supervision and Regulation of Client and will ensure that PIMCO destroys and does not rely or act on such information.

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

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

7. Limitations on Liability; Indemnity.

(a) Standard of Care. PIMCO shall not be liable to Client for anything done or omitted by PIMCO in the performance of the Services subject to this Agreement and with respect to maintaining the confidentiality of Confidential Information in its roles, under the terms of this Agreement if PIMCO shall have acted, subject to the terms and conditions hereof, in good faith and shall have exercised reasonable care, in a manner consistent with the practices and procedures followed by other asset valuation and management firms of national standing relating to assets of the nature and character of the Assets, and, in any case, using a degree of skill and attention no less than that which PIMCO exercises with respect to comparable assets when it performs similar Services for itself and for others having similar investment objectives and restrictions.

(b) Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which may not be so limited or waived in accordance with applicable law. Without limiting the generality of the foregoing, PIMCO will not be liable for any indirect, special, incidental, or consequential damages.

(c) Indemnity. Client shall defend and indemnify PIMCO against all other losses, damages, expenses (including reasonable attorneys' fees), and claims ("Losses") arising out of this Agreement, including, without limitation, for Client's breach of its obligations under Sections 1(c), 2(c) and 6, except to the extent such Losses were caused by PIMCO's willful misconduct, fraud, or reckless disregard of its duties hereunder or PIMCO's breach of its confidentiality and non-disclosure obligations (including, but not limited to, with respect to Confidential Information of BANK). Subject to (d) and (e) below, Client agrees to reimburse PIMCO for its time and all out-of-pocket expenses (including reasonable attorneys' fees) incurred by PIMCO in connection with investigating, preparing for or defending any action or claim or responding to any regulatory inquiry, whether in connection with pending or threatened litigation or regulatory inquiry in each case, as such expenses are incurred or paid.

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

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

8. Term. The initial term of this Agreement will begin on the Effective Date and will expire upon the completion of the Services as described in Schedule A.

9. Applicable Law and Submission to Jurisdiction. (a) Applicable Law and Submission to Jurisdiction. This Agreement and the rights and obligations herein shall be governed by federal law, and in the absence of controlling federal law, in accordance with the laws of the Commonwealth of Virginia, notwithstanding Virginia's conflict of law rules. Any legal action, suit, or proceeding arising out of or in connection with this Agreement shall only be brought in the United States District Court for the Eastern District of Virginia. For these purposes, PIMCO and Client submit to the jurisdiction of such court. (b) Each party acknowledges that certain breaches by it of its obligations hereunder (such as under Sections 1(c) and 6) may cause irreparable harm to the other party, and that the aggrieved party shall be entitled in any such case to seek injunctive or similar relief without the posting of any bond or security.

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

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

If to Client:

Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23219
Attention: _____

With a copy to:

Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23219
Attention: [REDACTED]

or by facsimile to: [REDACTED]

If to PIMCO:

PIMCO address
Attention:
or by facsimile to:

With a copy to:

Notices will be deemed given only upon actual receipt.

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

13. No Waiver. No failure on the part of PIMCO or Client to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power, privilege, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by PIMCO or Client of any right, power, privilege, or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege, or remedy. The rights, powers, privileges, and remedies herein provided are cumulative and are not exclusive of any rights, powers, privileges, and remedies provided by law.

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

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

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

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

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

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

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

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

good faith and in a professional manner that reflects the sophisticated nature of the Services to be provided. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

22. Independent Contractor. PIMCO is an independent contractor and is not an agent or employee of Client. PIMCO has no authority to bind Client by contract or otherwise without Client's prior written authorization. The manner of PIMCO's performance of the Services shall be in its sole discretion, subject to the requirement that PIMCO shall at all times comply with applicable law and its obligations hereunder. Client has no right or authority to control the manner or means by which the Services are rendered.

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

24. No Third-Party Rights. Nothing in this Agreement shall be construed to confer upon any third party a right of action under this Agreement or any other right whatsoever and no person or entity shall be deemed a third party beneficiary under or by reason of this Agreement.

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

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

FEDERAL RESERVE BANK OF RICHMOND

PACIFIC INVESTMENT MANAGEMENT
COMPANY

By:

By:

Name:

Name:

Title:

Title:

SCHEDULE A

Evaluation of Bank of America Exposures: Statement of Work

1. Background

- a. Client and the USG parties are party to a transaction to protect Bank of America against certain losses on an asset pool (the "Transaction").
 - The asset pool proposed by Bank of America consists of derivative assets, counterparty exposure, and other assets (the "Covered Assets"). See Annex I.
 - The Covered Assets include assets that are not required to be carried at their market values by Bank of America (the "Accrual Assets") and those that are marked-to-market (the "Mark-to-Market Assets").
- b. Bank of America also presented the USG parties with a list of assets described as asset-based lending, foreign real estate, private equity, etc. Foreign assets and assets booked after March 14, 2008 are not eligible for the Transaction. See Annex II.

2. Government Overall Objectives

- a. *Mark-to-Market Valuation.* Bank of America provided Client and the USG parties with its valuations for the Mark-to-Market Assets as of November 28, 2008, to December 31, 2008. Client and the USG parties seek an independent valuation and review of the Mark-to-Market Assets.
- b. *Loss Projections under Base and Stress Case Scenarios.* Bank of America did not provide the Client and the USG parties with its loss projections for the Covered Assets. Client and the USG parties seek an independent, one-off projection of losses for the Covered Assets under base and stress scenarios to inform the USG parties' potential exposure.

3. Timeline & Deliverables

➤ *January 11, 2009: Estimation of Valuation of Covered Assets.*

- Valuation. PIMCO will provide a preliminary draft report showing cumulative realized credit losses for Covered Assets as of December 31, 2008.
- Loss Projections. In the preliminary draft, PIMCO will produce projections of cumulative realized credit losses for the Covered Assets in base and stress scenarios.

For delivery of pre-final valuations and loss projections, PIMCO will strive to deliver the maximum number as quickly as possible. Given the complexity of the book, the final assessment may differ materially from preliminary results. The Covered Assets span a wide variety of assets classes in loan and security form.

4. Fees

- a. The fee for the Services described above shall be [REDACTED]. The fee will be invoiced by PIMCO and payable by Client after PIMCO's delivery of the deliverables described above.

- b. The foregoing fee will be inclusive of any PIMCO out-of-pocket expenses.
- c. PIMCO's primary engagement is to provide the deliverables referenced above. The parties agree that review of the Covered Assets on an expedited timetable may require significant additional time and expense for PIMCO. The parties agree to revisit the fee for the Services in good faith in the event that PIMCO informs the Client that the analysis requested with respect to the Replacement Assets involves significant additional resources and efforts that go beyond those PIMCO has already put in place for the deliverables.

Annex I: Covered Assets Summary

COVERED ASSETS - Annex II

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

FEDERAL RESERVE BANK OF RICHMOND

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]

PACIFIC INVESTMENT MANAGEMENT COMPANY

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]