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September 22, 2014

Via FedEx

Federal Deposit Insurance Corporation,
Receiver of Washington Mutual Bank, Henderson, Nevada,
1601 Bryan Street, Suite 1701,
Dallas, Texas 75201.

Attention: Regional Counsel (Litigation Branch) &
Deputy Director (ORR - Field Operations Branch)

Re: Indemnification Obligations

Dear Sirs:

We refer to the Purchase and Assumption Agreement Whole Bank, dated as of September 25, 2008 (the "Agreement") by and among the Federal Deposit Insurance Corporation in its corporate capacity ("FDIC Corporate") and as receiver ("FDIC Receiver" and, together with FDIC Corporate, "FDIC") and JPMorgan Chase Bank, N.A. (together with its subsidiaries and affiliates, "JPMC") relating to the resolution of Washington Mutual Bank, Henderson, Nevada ("WMB"). This letter supplements our prior indemnification notices and provides you with written notice of additional matters for which JPMC is entitled to indemnification under Section 12.1 of the Agreement.

In addition to those matters previously noticed, JPMC's indemnity rights are also triggered by several categories of actual or potential claims arising from pre-receivership acts or omissions of WMB and/or its subsidiaries, officers and affiliates, for which JPMC expressly reserves its right to seek indemnification from the FDIC if and when such claims are asserted against JPMC. These potential claims include, but are not limited to:

- Additional claims arising from pre-receivership acts or omissions of WMB and/or its subsidiaries, officers and affiliates with regard to residential mortgage backed securities ("RMBS") or commercial mortgage backed securities ("CMBS," together, "MBS"), originated, underwritten and/or

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sold pre-receivership by WMB and/or WMB subsidiaries WaMu Capital Corp., Washington Mutual Mortgage Securities Corp. and Long Beach Securities Corp. ("WaMu MBS"), including demands for repurchase of loans securitized in WaMu MBS and/or demands for make-whole payments in regard of such loans, as well as claims of alleged breaches of representations and warranties by these entities relating to such MBS.

- Additional demands for repurchase of certain multi-family loans originated by WMB and sold to the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") pre-receivership, and/or claims of alleged breaches of representations and warranties relating to such loans.
- Additional claims arising from missing or incorrect information included in the yield maintenance prepayment addendum to the promissory note for certain loans originated by WMB pre-receivership.
- Additional notices from state agencies of outstanding cash property and interest assessed on unclaimed property that WMB allegedly failed to remit to that state and report within the time and in the manner required by law, prior to receivership.
- Additional claims that may be asserted against JPMC by trustees of RMBS that were originated or securitized pre-receivership, including but not limited to tort, contractual and statutory claims for contribution or indemnity based on alleged pre-receivership actions, inactions or obligations of WMB and/or its officers, directors, employees and/or subsidiaries.¹ Additionally, investors may assert similar claims with respect to other WaMu MBS not covered by the aforementioned litigations, for which the trustees may in turn seek indemnity or contribution from JPMC.

JPMC is currently aware of the following litigations against trustees relating to WaMu MBS, in which such trustees may eventually assert claims against JPMC: (1) *Policemen's Annuity & Benefit Fund of the City of Chicago, et al. v. Bank of America, NA, et al.*, NO.1: 12-CV-02865, filed in the Southern District of New York; (2) *Royal Park investments SA/NV v. U.S. Bank, N.A.*, No. 14-cv-2590, filed in the Southern District of New York; (3) *Royal Park investments SA/NV v. Deutsche Bank National Trust Company*, No. 14-cv-04394, filed in the Southern District of New York; (4) *Royal Park investments SA/NV v. Royal Bank of Scotland Group PLC, et al.*, No. 653541/2013, filed in New York State Supreme Court, New York County; (5) *BlackRock Allocation Target Shares: Series S Portfolio, et al. v. U.S. Bank Nat. Ass 'n*, No. 651864/2014, filed in New York State Supreme Court, New York County; and (6) *BlackRock Balanced Capital Portfolio (Fl), et al. v. Citibank N.A.*, No. 651868/2014, filed in New York State Supreme Court, New York County. Enclosed for your convenience are copies of these complaints.

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- Additional claims arising from the alleged failure of WMB, prior to receivership, to pay realty transfer taxes and/or properly to document and file instruments affecting the transfer of title or ownership interests. As JPMC has previously notified you, any liabilities it incurs in connection with such claims to the extent they derive from the pre-receivership actions or inactions of WMB are subject to indemnification. Moreover, as you recently informed the [REDACTED]

- Additional allegations of pre-receivership noncompliance by WMB with federal, state, and local environmental laws and regulations at certain WMB sites, including, but not limited to, reporting requirements under the federal Emergency Planning and Community Right to Know Act, waste handling requirements under the federal Resource Conservation and Recovery Act and air permitting and other requirements under the Clean Air Act.
- Additional challenges to the FDIC's repudiation of leases on mortgaged commercial property for which WMB was both mortgage lender and leasehold tenant prior to receivership. As you know, under Section 4.6 of the Agreement, which outlines the parties' "Agreement with Respect to Bank Premises," JPMC had the option to "accept or not to accept an assignment of any or all leases (or entered into subleases or new leases in lieu thereof)." The FDIC, on behalf of WMB, thus retains all rights and obligations as tenant and/or occupant for any leases JPMC elected not to assume and timely notified the FDIC of its election, pursuant to Section 4.6 of the Agreement.
- Additional claims that may be asserted against JPMC seeking to impose liability for the acts of subsidiaries or other persons or entities based upon alter ego, de facto merger or other doctrines due to pre-receivership failures by WMB to maintain corporate separateness.

While our inquiry into these matters is preliminary and limited by their currently uncertain and/or unknown nature, JPMC is hereby advising you that these or other claims arising from the pre-receivership conduct of WMB may be asserted against JPMC, and could result in losses for which JPMC would be indemnified by the FDIC pursuant to Section 12.1 of the Agreement. We are also advising you that JPMC may incur costs and expenses in connection with investigating and defending these claims and that JPMC may decide to settle

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such claims. All losses, costs, expenses and fees incurred in connection with such investigation, defending and/or settling of these claims would be subject to indemnification. We understand the FDIC Receiver consents to our defending and, if we deem it to be prudent, settling such claims. We reserve the right to seek indemnification for any such losses, costs and expenses that JPMC may incur if and when these claims are brought.

As you are aware from previous correspondence notifying you of the FDIC's indemnification obligations in other matters, the matters identified in this letter are not intended to be exhaustive or to constitute a statement that no other facts have or may come to our attention that could result in claims for which indemnification is provided, and we reserve the right to supplement this notice as additional facts or circumstances may arise.

Sincerely,

Robert A. Sacks

(Enclosures)

cc: Lawrence N. Chanen
Alia Lerner
Annette C. Rizzi
Joanna Jagoda
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