

# FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

ASSISTANT VICE PRESIDENT

January 21, 2021

*By email*

BNY Mellon Capital Markets, LLC  
Public Finance  
BNY Mellon Center, Suite 475  
Pittsburgh, PA 15238  
Fax No.:  
E-mail:

## **Re: Municipal Liquidity Facility/Termination Notice**

In light of the cessation of purchases of Eligible Notes by Municipal Liquidity Facility LLC (the "Purchaser") as of December 31, 2020, in accordance with the term sheet for the Municipal Liquidity Facility, the Purchaser hereby notifies BNY Mellon Capital Markets, LLC ("BNYMCM"), in accordance with section 38(a) of article IV of the Master Settlement Agreement for Certain Purchases of Eligible Notes dated as of May 26, 2020 (the "Agreement"), that the Purchaser is terminating the Agreement effective as of February 28, 2021, and that, effective immediately, BNYMCM is to no longer have any authority to act as Settlement Agent under the Agreement with respect to any third parties. Terms used but not defined in this notice have the meanings assigned to them in the Agreement.

In accordance with section 38(b) of article IV of the Agreement, BNYMCM must provide the Purchaser with the information BNYMCM is responsible for maintaining under Schedule A of the Agreement. By signing below, BNYMCM (i) acknowledges receipt of this notice and (ii) acknowledges that all fees and expenses due and owing it by the Purchaser under the Agreement have been paid in full, such that no final invoices for the Services will be necessary.

Please do not hesitate to contact either \_\_\_\_\_ at \_\_\_\_\_ or  
at \_\_\_\_\_ if you have any questions.

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| W [www.newyorkfed.org](http://www.newyorkfed.org)

CLEARED FOR RELEASE

FEDERAL RESERVE BANK *of* NEW YORK

BNY Mellon Capital Markets. LLC

January 21, 2021

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Regards,

MUNICIPAL LIQUIDITY FACILITY LLC

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

c: BNYMCM's Head of Markets Legal Counsel  
BNYMCM's Chief Compliance Officer

Acknowledged by the following as of the date below:

BNY MELLON CAPITAL MARKETS LLC

B \_\_\_\_\_

Name \_\_\_\_\_

Title: Director and Head of Public Finance  
\_\_\_\_\_

Date: 26 January 2021  
\_\_\_\_\_

FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

ASSISTANT VICE PRESIDENT

November 18, 2020

*By email*

BNY Mellon Capital Markets, LLC  
Public Finance  
BNY Mellon Center, Suite 475  
Pittsburgh, PA 15238  
Fax No.:  
E-mail:

**Re: Municipal Liquidity Facility / Replacement of Authorized Representative of Company**

In accordance with the Master Settlement Agreement for Certain Purchases of Eligible Notes dated as of May 26, 2020 (the "Agreement"), the Company hereby notifies Bank of New York Mellon Capital Markets that \_\_\_\_\_ is to replace \_\_\_\_\_ as an authorized representative of the Company effective immediately. As such, Schedule C to the Agreement is hereby deleted and replaced in its entirety with the following Schedule C.

Please feel free to contact me if you have any questions or concerns.

Regards,

MUNICIPAL LIQUIDITY FACILITY LLC

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

Assistant Vice President

C:

Schedule C as of November 18, 2020

**Authorized Representatives of the Company**

For inquiries regarding the Services:

Name/Title

Executive Vice President

Phone:

Email:

Assistant Vice President

Phone:

Email:

Assistant Vice President

Phone:

Email:

CBS Senior Business Specialist

Phone:

Email:

For inquiries involving information security:

Officer Information Security

Phone:

Email:

**EXECUTION VERSION**

**MASTER SETTLEMENT AGREEMENT  
FOR CERTAIN PURCHASES OF ELIGIBLE NOTES**

**between**

**Municipal Liquidity Facility LLC**

**and**

**BNY Mellon Capital Markets, LLC**

**as Settlement Agent**

**Dated as of May 26, 2020**

This Master Settlement Agreement for Certain Purchases of Eligible Notes (this “**Agreement**”) is made as of May 26, 2020 by and between the Municipal Liquidity Facility LLC (the “**Purchaser**”), and BNY Mellon Capital Markets, LLC, as Settlement Agent under this Agreement (the “**Settlement Agent**”).

## RECITALS

WHEREAS, the Board of Governors of the Federal Reserve System (“**Board of Governors**”), with the approval of the Secretary of the Treasury, authorized the establishment and operation of the Municipal Liquidity Facility (the “**MLF Program**”) under section 13(3) of the Federal Reserve Act to support lending to certain state, city, and county governments and multistate entities (“**Eligible Issuers**”);

WHEREAS, the Federal Reserve Bank of New York (“**New York Fed**”) formed the Purchaser for the purposes of implementing the MLF Program;

WHEREAS, in furtherance of the MLF Program’s objectives, the Purchaser will use financing provided pursuant to a credit agreement dated as of the date hereof between the Purchaser, as borrower, and the New York Fed, as lender (the “**Credit Agreement**”) to purchase at issuance tax anticipation notes, tax and revenue anticipation notes, bond anticipation notes, and other similar short-term notes from Eligible Issuers (such notes, “**Eligible Notes**”);

WHEREAS, the Purchaser intends that the Eligible Notes be issued in global form and registered in the name of The Depository Trust Company (“**DTC**”) or its nominee and held on behalf of members of or participants in DTC (“**DTC Participants**”) as nominee for the Purchaser (the “**Holders**”); and

WHEREAS, the Purchaser wishes to appoint BNY Mellon Capital Markets, LLC, as Settlement Agent for certain (i) direct purchases of Eligible Notes from Eligible Issuers, (ii) purchases of Eligible Notes from Eligible Issuers after a competitive bid process pursuant to which the Purchaser did not submit a bid but agrees to purchase the Eligible Notes, or (iii) under the terms and conditions of this Agreement;

NOW, in consideration of the mutual promises and covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

## ARTICLE I

### APPOINTMENT, SETTLEMENT PROCEDURES AND DUTIES OF THE SETTLEMENT AGENT

1. Appointment. The Purchaser hereby appoints and directs the Settlement Agent to act as the Settlement Agent hereunder for Eligible Notes issued by Eligible Issuers in accordance with the terms hereof, and the Settlement Agent hereby accepts such appointment. The duties, responsibilities and obligations of the Settlement Agent shall be limited to those expressly set forth herein and no duties, responsibilities or obligations shall be inferred or implied, except as required by law.
2. Services of the Settlement Agent. The Settlement Agent shall perform the services set forth in this Agreement, including those services specified in Schedule A (all such services collectively, the “**Services**”). In no event shall the Settlement Agent be deemed to be a Holder, underwriter, purchaser or placement agent of the Eligible Notes by virtue of this Agreement, nor shall the Settlement Agent be

deemed to have any ownership interest whatsoever, whether beneficial, indirect or direct, in such Eligible Notes. Accordingly, the Settlement Agent shall have no authority or duty to act with respect to the Eligible Notes except in accordance with the terms hereof. If any modification of Services by the Purchaser or any addition of Services required pursuant to section 38(c) results in a material change in the cost of time or resources required for the Settlement Agent's performance under this Agreement, the parties shall negotiate in good faith an equitable adjustment of the Settlement Agent's fees for the Services or other terms of performance. The parties shall memorialize any such changes in the scope of the Services and corresponding price adjustments in an amendment to this Agreement. Unless the parties expressly agree otherwise, any adjustment in fees for the Services is to be made effective as of the date the Settlement Agent begins to perform the Services as modified even if the amendment memorializing the changes is made at a later date.

3. Standard of Conduct. The Settlement Agent shall provide services hereunder exercising reasonable care in a manner consistent with recognized industry practices.

4. Records; Inspection and Audit Rights.

- a. The Settlement Agent shall maintain appropriate books of account and records relating to the Services, including all information, materials, and records that come into the Settlement Agent's possession or that the Settlement Agent creates in connection with the Services (including appropriate documentation of issues arising under the Settlement Agent's conflict of interest policies and other policies and procedures referenced in section 4 of Schedule E, all such books of account and records collectively, "**Records**"). The Settlement Agent shall either (x) retain the Records for as long as it is performing Services and thereafter during any period the Purchaser and the New York Fed have the right under this section 4 to audit or review the Settlement Agent's performance and while any such audit or review remains open or (y) provide the Records (or copies of the Records) to the Purchaser prior to their destruction in accordance with the Settlement Agent's normal record retention policy.
- b. The Purchaser and the New York Fed 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 Settlement Agent's performance to determine whether the Settlement Agent is (or was during the term of this Agreement) acting in compliance with all of the requirements of this Agreement. Upon five business days' prior written notice to the Settlement Agent, the Settlement Agent shall grant access to its premises to the New York Fed's employees, agents, and representatives, including its internal auditors and other auditors selected by the New York Fed or the Purchaser, to conduct such audit or review. Any such audit or review will be conducted during the Settlement Agent's normal business hours at the Purchaser's sole expense. The Settlement Agent shall cooperate fully in making its premises, all relevant information related to its performance pursuant to this Agreement, and its personnel available to the Purchaser, the New York Fed, and the auditors as is reasonably requested and does not interfere with the Settlement Agent's performance of its obligations under this Agreement and the conduct of its other business in the ordinary course. The New York Fed may share inspection results or audit reports with whomever it deems appropriate. At the Purchaser's request, the Settlement Agent shall meet with the New York Fed to discuss findings of any audit or review and plan of action for the Settlement Agent to address any finding that any of the services do not comply with the terms of this Agreement.

- c. At the Purchaser's request, the Settlement Agent shall also assist the Purchaser in responding to audits and reviews of the Purchaser by its lenders and auditors and by the Department of the Treasury (the "**Treasury**") and governmental authorities exercising oversight responsibilities under applicable law with respect to the Purchaser. The Settlement Agent shall use its best efforts to respond to requests for information in connection with any such audit or review of the Purchaser in a timely manner and otherwise consistent with the requirements of the Purchaser's lenders, auditors, or oversight authorities.
  - d. Upon five business days' prior written notice from the Purchaser, the Board of Governors of the Federal Reserve System ("**Board 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. The Purchaser shall use commercially reasonable efforts to ensure that such audits and ad-hoc reviews are conducted on a similar basis to the audits and reviews described subsection (b).
5. Effective Internal Controls.
- a. At the Purchaser's request, the Settlement Agent shall provide to the New York Fed (i) documentary evidence regarding the effectiveness of the Settlement Agent's internal controls over financial reporting and information security (e.g., relevant internal controls reports, including System and Organization Controls (SOC), and internal compliance assessments, and access to policies and procedures governing the Settlement Agent's operations as they relate to the performance of the Services (including, without limitation, ethics policies and security policies and procedures)) and (ii) any available internal or third-party reports that detail the status of compliance by the Settlement Agent and its affiliates with laws and regulations, including privacy laws and regulations, relevant to this Agreement and the Services. The Settlement Agent and the New York Fed will cooperate to determine at the time of the request the specific nature of such documentation, provided, however that nothing in this subsection (a) shall obligate the Settlement Agent to commission any new or additional reports regarding its compliance with internal controls.
  - b. The Settlement Agent shall identify the technology solutions and processes it uses in the performance of the Services. The Settlement Agent shall provide to the New York Fed a list of such technology solutions and processes and shall provide for each such solution or process (i) information sufficient for the New York Fed to assess the appropriateness of the solution or process, (ii) information about the Settlement Agent's implementation of the solution or process, and (iii) information about the Settlement Agent's process for assessing and mitigating risks and validating the solution or process. At the New York Fed's reasonable request, the Settlement Agent will make available its personnel who are knowledgeable about the foregoing for meetings with the New York Fed to discuss questions and provide such additional information as may be necessary or useful to the New York Fed to assess the solutions or processes as they relate to the Services. The Settlement Agent shall cooperate with the New York Fed to discuss any findings identified by the New York Fed in its review and agree on an appropriate course of action. The Settlement Agent shall notify the New York Fed promptly of any changes in the inventory of technology solutions and processes used by the Settlement Agent in the performance of the Services and of any changes in any of the technology solutions and processes or the manner of their implementation that, in either case, could be material to the New York Fed's review.



6. Risk Event Reporting. For purposes of this Agreement, a “**Risk Event**” means any event that occurs in the Settlement Agent’s operations, whether related directly to the performance of the Services or otherwise, that in the reasonable opinion of the Settlement Agent may result in (i) harm to the reputation or operations of the MLF Program, the Purchaser, the New York Fed, or any other Federal Reserve Bank or the Board of Governors (each, a “**Federal Reserve Entity**”); (ii) risk of financial loss to the Purchaser, the New York Fed, or any other Federal Reserve Entity; or (iii) risk of liability for the Purchaser, the New York Fed, or any other Federal Reserve Entity. Risk Events include, without limitation, unplanned and nonroutine events in the Settlement Agent’s operations; external events that affect the Settlement Agent’s business processes or controls, including Security Breaches (as defined in section 14(c)(i)); human errors or technological failures that disrupt the Settlement Agent’s operations; and misconduct by the Settlement Agent’s employees, officers, directors, or contractors assigned to provide the Services. Promptly after the Settlement Agent determines that a Risk Event has occurred, the Settlement Agent shall notify the New York Fed by telephone and, if the Risk Event relates to a Security Breach, by email addressed to . In all cases, the Settlement Agent shall send written notice of the Risk Event to the New York Fed not more than one business day after the Settlement Agent determines that a Risk Event occurred. In all cases, the notice is to describe the Risk Event in reasonable detail. The Settlement Agent shall take all measures reasonably required by the Purchaser or the New York Fed to mitigate the effects of the Risk Event on the MLF Program, the Purchaser, the New York Fed, or other Federal Reserve Entities and to cooperate with the Purchaser and the New York Fed to remediate the root cause and any resulting liability or harm. The Settlement Agent shall notify the New York Fed in writing as soon as practicable of developments regarding the Risk Event, including the root cause of the Risk Event, the Settlement Agent’s assessment of the impact of the Risk Event on the MLF Program, the Purchaser, the New York Fed, and other Federal Reserve Entities, short- and long-term remediation action plans to be undertaken to address both the Risk Event and its root cause, and periodic progress made toward completion of the proposed action plans, including notice of the completion of any planned remediation.

7. Intentionally Omitted.

8. Compliance with Laws. The Settlement Agent provided to the Purchaser copies of its policies and procedures and the Purchaser acknowledges receipt thereof. During the term of this Agreement, the Purchaser may request copies of the Settlement Agent’s then current policies and procedures to ensure compliance with laws and regulations. The Settlement Agent shall respond to reasonable inquiries made by the New York Fed’s chief compliance officer to the Settlement Agent’s chief compliance officer with respect to the Settlement Agent’s compliance with the rules and regulations of the Securities Exchange Commission, the Municipal Securities Rulemaking Board or such other laws and regulations relevant to the performance by the Settlement Agent of the Services hereunder.

9. Key Personnel and Staffing Replacements.

- a. Schedule D sets forth the Settlement Agent’s key personnel assigned to provide the Services (“**Key Personnel**”). Except when Key Personnel become unavailable for reasons beyond the Settlement Agent’s reasonable control, including, for example, illness, death, or absence due to other personal circumstances, or termination of employment without prior notice, the Settlement Agent shall not replace Key Personnel unless it gives the Purchaser 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 Purchaser for reasons beyond the Settlement Agent’s reasonable control, the Settlement Agent shall notify the Purchaser 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 Purchaser and the New York Fed 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 Settlement Agent acknowledges and agrees that the loss of Key Personnel does not excuse the Settlement Agent's performance of the Services.

- b. If the Settlement Agent for any reason replaces any of its personnel performing Services (whether or not the individual is designated as Key Personnel), the Settlement Agent shall facilitate the transition of responsibility for the Services to the replacement personnel in a manner that minimizes disruption to the Purchaser, the New York Fed, and the MLF Program.

10. Force Majeure. The Settlement Agent 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. So long as the Settlement Agent complies with the foregoing maintenance and preservation requirements and so long as any delay or failure to take an action that may be required under this Agreement could not be prevented by the exercise of reasonable diligence by the Settlement Agent, the Settlement Agent is not liable for any delay or failure to take an action that may be required under this Agreement 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, landslides, lightning, fire, hurricanes, earthquakes, floods, or similar events, the interruption or suspension of any external communication or power systems, any act or provision of any present or future law or regulation or governmental authority, restraining of government and people, the unavailability of the Federal Reserve Bank wire or telex, the DTC's book-entry-only system or other wire or communication facility, or any other act or event so long as such act or event is not reasonably foreseeable and is not reasonably within the control of the Settlement Agent. The Settlement Agent shall provide the Purchaser with written notice of any material failure or delay resulting from force majeure to the extent known to the Settlement Agent and the obligations of the Settlement Agent to comply with its obligations hereunder so far as they are affected by such force majeure shall be suspended during the continuance of the inability then claimed, which shall include a reasonable time for the removal of the effect thereof. Further, the Settlement Agent is not excused from implementing contingency procedures in accordance with its business continuity and disaster recovery plans. The Settlement Agent shall make reasonable efforts to mitigate the effect of a force majeure event on the Purchaser, and the Settlement Agent shall not discriminate against the Purchaser in allocating the Settlement Agent's resources to maintain and continue its operations.

11. Disaster Recovery and Business Continuity. The Settlement Agent shall maintain such disaster recovery and business continuity capabilities as are commercially reasonable and appropriate to maintain the continuity of the Services in the event of a disaster or other disruption. The Settlement Agent shall not alter its disaster recovery plan or business continuity program in such a way that degrades in any material respect the level of protection for the Services.

12. Confidentiality.

- a. Policy Interests. The Settlement Agent acknowledges that (i) the New York Fed is part of the Federal Reserve System (the "**System**") and that the Board of Governors and the Treasury have policy interests in the MLF Program, (ii) perceptions of the deliberations and policies of the Purchaser, the New York Fed, 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 the Purchaser, the New York Fed, the Board of Governors, or the Treasury would damage the Purchaser, the New York Fed, and the System, may impede their achievement of their policy objectives, and may result in instability in such markets.

- b. Definition. “**Confidential Information**” includes all nonpublic information and material that came into the possession or knowledge of the Settlement Agent on or after April 2, 2020, or that subsequently comes into the possession or knowledge of the Settlement Agent, whether provided directly by the Purchaser, the New York Fed, or by any agent, service provider, or Eligible Issuer, or that is otherwise collected, received, or created by the Settlement Agent in connection with the MLF Program, the Services, or the performance of this Agreement, including but not limited to the following:
1. the terms and conditions of this Agreement and other documents relating to the affairs of the Purchaser;
  2. 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 Purchaser, any Federal Reserve Entity, the Treasury, and the System;
  3. information about deliberations and decisions of the Purchaser, any Federal Reserve Entity, the Treasury, and the System;
  4. reports, briefing material, information, and data, both written and oral, related to the MLF Program, the Services, or this Agreement;
  5. nonpublic information provided by Eligible Issuers in connection with expressions of interests in, applications to, or the closing of transactions under the MLF Program;
  6. information regarding the size of positions in specific securities held by the Purchaser in connection with the MLF Program;
  7. information regarding the policies, procedures, practices, business affairs, or other proprietary or commercial information of any of the Purchaser’s service providers (including any successor Settlement Agent); and
  8. any other nonpublic financial information.

For purposes of this Agreement, Confidential Information may be information in the possession or control of the New York Fed that belongs to (A) the Purchaser, (B) the New York Fed, (C) any other Federal Reserve Entity, (D) the Treasury, or (E) any other party with which the New York Fed engages in connection with the MLF Program. Confidential Information does not include information that (v) relates to an individual security after the information has been filed publicly with the Municipal Securities Rulemaking Board 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 security, such as its being held by the Purchaser, is to nonetheless constitute Confidential Information), (w) is subsequently learned by the Settlement Agent from a third party that, to the knowledge of the Settlement Agent, is not under an obligation of confidentiality to the Purchaser, any Federal Reserve Entity, or the Treasury, (x) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than the Settlement Agent in violation of this Agreement, (y) was known to the Settlement Agent at the time of disclosure other than from the Purchaser or the New York Fed or the Settlement Agent’s provision of Services, or (z) is generated independently by the Settlement Agent without reference to the Confidential Information.

- c. Permitted Use. The Settlement Agent may use Confidential Information only for the benefit of the Purchaser and as necessary for the Settlement Agent (and its affiliates to the extent reasonable and necessary to discharge its duties hereunder) to administer this Agreement and to conduct its operations as they relate to this Agreement. The Settlement Agent shall not use, or permit any other person (except its affiliates to the extent reasonable and necessary to provide the Services hereunder) to use, Confidential Information for any purpose other than such permitted purposes unless, and then only to the extent, the Purchaser expressly permits the Settlement Agent to do so. Without the Purchaser's prior written consent, the Settlement Agent shall not duplicate Confidential Information, disclose Confidential Information to any person, or permit any person to use Confidential Information other than (i) those of the Settlement Agent's employees, officers, directors, and independent contractors who have a need to know the Confidential Information to perform the Services, administer this Agreement, or conduct the Settlement Agent's operations as they relate to this Agreement, (ii) delegates and subcontractors approved by the Purchaser pursuant to section 41 to the extent necessary for them to perform their respective delegated or subcontracted duties, (iii) the Settlement Agent'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. Protection of Confidential Information. The Settlement Agent 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 Settlement Agent shall implement, maintain, and use appropriate administrative, technical, and physical security measures to protect the Confidential Information. The Settlement Agent shall inform all persons to whom it discloses Confidential Information of its confidential nature and the restrictions on its use, and the Settlement Agent shall require each such person, by means of a written acknowledgment (or as otherwise expressly required or permitted by this Agreement), to keep all such information obtained by them strictly confidential. The Settlement Agent 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 12. The Settlement Agent shall retain all such documentation in accordance with section 4(a). The Settlement Agent shall not process or store Confidential Information or allow Confidential Information to be accessed outside the United States without the express written consent of the New York Fed.
- e. Other Service Providers. The Settlement Agent may disclose Confidential Information to the parties described in section 34 and to any successor Settlement Agent, in each case to the extent necessary for them to perform their respective obligations related to the MLF Program.
- f. Required Disclosure. Notwithstanding subsection (d), the Settlement Agent may disclose Confidential Information to the extent required under applicable law or regulation, including to another governmental body or by valid order of a court or other governmental body having competent jurisdiction, *provided that* (i) the Settlement Agent notifies the New York Fed'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 Settlement Agent 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 Purchaser (including reasonable legal expenses), (A) entertaining and considering any argument that the Purchaser 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 Purchaser with all reasonable assistance in

resisting or limiting disclosure, (iii) the Settlement Agent cooperates with the Purchaser in its efforts to obtain a protective order or other appropriate remedy at the expense of the Purchaser (including reasonable legal expenses), (iv) if such protective order or other remedy is not obtained, the Settlement Agent 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 Settlement Agent exercises its reasonable efforts to cooperate with the Purchaser in the Purchaser's efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

- g. No Trading. The Settlement Agent shall not enter into any financial transactions, including purchasing or selling securities or entering into hedging transactions, using any Confidential Information.
- h. No Public Statements. Without the prior written consent of the Purchaser, the Settlement Agent shall 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 the MLF Program, the Purchaser, or the New York Fed. The Settlement Agent acknowledges that the New York Fed may post this Agreement on the New York Fed's external website, along with a description of the Settlement Agent's role in the MLF Program.
- i. Duration of Obligation; Destruction or Return.
  - i. The Settlement Agent's obligations concerning Confidential Information survive termination or expiration of this Agreement. Upon termination or expiration of this Agreement, the Settlement Agent shall (i) return or destroy the Confidential Information in the Settlement Agent's possession or control and (ii) expunge Confidential Information that may be contained in archives, tapes, or other materials the Settlement Agent may maintain under its regular record-keeping policies, procedures, or practices.
  - ii. Notwithstanding the Settlement Agent's obligations under subsection (i)(i), the Settlement Agent may retain copies of Confidential Information as may be required by law, rule, or order or to maintain backups of systems and records in the normal course of its operations. To the extent that the Settlement Agent retains any Confidential Information, the Settlement Agent remains subject to the obligations of this section 11 with respect to such Confidential Information even after termination or expiration of this Agreement.
  - iii. When Confidential Information is destroyed, the Settlement Agent shall use destruction techniques where technically feasible that prevent the information from being reconstructed or recovered and shall 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 Settlement Agent 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.

- iv. The Settlement Agent shall, if requested by the Purchaser from time to time, certify in writing that it has returned or destroyed Confidential Information in accordance with this subsection (i).
  - j. Remedies. The Purchaser or the New York Fed may seek equitable relief, including injunction or specific performance, in the event of any breach of the provisions of this section 12. In any such case, the Settlement Agent shall not contest the action on the grounds that damages are an adequate remedy, nor shall the Settlement Agent seek to have imposed on the Purchaser or the New York Fed, as the case may be, any obligation to post a bond or give other security as a condition to injunctive relief. Such remedies are to be in addition to all other remedies the Purchaser or the New York Fed have available at law or in equity.
- 13. Ethical Conduct. The Settlement Agent shall adhere to, and shall cause employees and others performing Services under this Agreement to adhere to, the conflict-of-interest undertakings set forth in Schedule E.
- 14. Security.
  - a. Information Security Measures. During the term of this Agreement and thereafter as long as the Settlement Agent retains any Confidential Information, the Settlement Agent shall maintain security procedures that are commercially reasonable and appropriate to safeguard the security of the systems in which it processes and stores Confidential Information. These information security measures must 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 them, (iii) protect against unauthorized access to or use of Confidential Information, and (iv) ensure appropriate disposal of Confidential Information.
  - b. Review of Information Security Measures.
    - i. The Purchaser (directly or by its representatives, agents, or auditors) shall be permitted to review documentation of the Settlement Agent's information security policies, standards, and procedures and assessments of the Settlement Agent's information security (including penetration test results) with the Settlement Agent once each year. Such review may also include meeting with the Settlement Agent's personnel for the purpose of obtaining information regarding remediation of security findings.
    - ii. As a condition for the Settlement Agent's continued engagement and access to Confidential Information, the Purchaser may require the Settlement Agent to respond to the New York Fed's Information Security Review Questionnaire. The Settlement Agent's response and any attachments or information provided as a follow-up to the initial response constitute, together, the "**Questionnaire Response.**" The New York Fed is to conduct its information security review of the Settlement Agent with reference to the Questionnaire Response. During the term of this Agreement, if and when the Settlement Agent 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 Settlement Agent

shall promptly notify the Purchaser that a change has been made and indicate the nature of the change. The Settlement Agent shall provide any information the Purchaser or the New York Fed may reasonably request so they may assess the impact of the Settlement Agent's change on the Services or the systems that support the Settlement Agent's performance of the Services. At the New York Fed's request, the Settlement Agent shall also update the Questionnaire Response and respond to any new or supplemental information security questions the New York Fed may require of its vendors from time to time. The Settlement Agent shall provide any updated Questionnaire Response and responses to any new or supplemental information security questions to the New York Fed promptly after the request (within not more than 10 business days). The Purchaser may suspend the Settlement Agent's provision of the Services until the New York Fed assesses the effect on the Purchaser, the MLF Program, or the New York Fed of any additional information or changes to the Settlement Agent's information security policies or systems affecting information security. The Settlement Agent shall prepare and review with the New York Fed a plan of action and report to the New York Fed periodically (on a schedule mutually agreed upon) about the Settlement Agent's progress to address any deficiencies identified by the New York Fed. If the New York Fed believes the plan of action is insufficient and the Settlement Agent declines to revise it, the parties shall escalate the disagreement through their respective managements for dispute resolution. Nothing in this Agreement shall be construed to require the Settlement Agent to alter its securities policies or systems affecting its information security.

c. Security Breaches.

- i. If the Settlement Agent becomes aware that Confidential Information is used or disclosed in any manner not permitted under this Agreement, if the Settlement Agent is unable to account for any Confidential Information, or if the Settlement Agent 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 Settlement Agent shall notify the Purchaser by email and telephone promptly. Such notice is to describe the Security Breach in sufficient detail (accounting for the information then available to the Settlement Agent) for the Purchaser or the New York Fed to assess the risk posed by the Security Breach. The Settlement Agent shall send its email notice to the Purchaser in accordance with section 32 and telephone the information security contact identified in Schedule C. The Settlement Agent shall also maintain a log of all such Security Breaches. The Settlement Agent shall retain records relating to these Security Breaches in accordance with section 4(a).
- ii. The Settlement Agent 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 Security Breach of that same nature, and to cooperate with the Purchaser and its representatives and agents in any investigation they may undertake relating to the unauthorized use or disclosure or loss. The Settlement Agent shall keep the Purchaser informed as soon as practicable of developments regarding the

Security Breach, including, without limitation, effects being observed in the affected systems, investigation of the Security Breach and its effects and the root cause, and periodic progress made toward completion of action plans for remediation. The Settlement Agent shall send the Purchaser information about developments in its investigation and remediation activities as directed by the Purchaser by email in accordance with section 32 and telephone the information security contact identified in Schedule C unless directed otherwise. The Purchaser and the New York Fed may share information about any Security Breach with any Federal Reserve Entity and the Treasury if the Purchaser or the New York Fed reasonably believes such party or parties may be adversely impacted by the Security Breach or otherwise have a need to know the information. The Settlement Agent is to bear the costs of all such measures taken or to be taken by it under this section 14.

- d. Background Investigations. The Settlement Agent shall conduct (or shall have conducted) background checks of the personnel providing the Services in accordance with the Settlement Agent's policies and all applicable laws.

## ARTICLE II

### **REPRESENTATIONS AND WARRANTIES**

15. Settlement Agent. The Settlement Agent makes the following representations and warranties to the Purchaser as of the date of this Agreement:

- a. The Settlement Agent is a limited liability company duly organized, validly existing, and in good standing under the laws of Delaware and has the power, authority, and the legal right to execute, deliver, and perform this Agreement and all obligations required of it under this Agreement and this Agreement constitutes a legal, valid, and binding obligation of the Settlement Agent;
- b. The Settlement Agent has taken all necessary organizational action to authorize this Agreement on these terms and conditions; the execution, delivery, and performance of this Agreement; and the performance of all obligations imposed on it under this Agreement;
- c. The Settlement Agent's execution, delivery, and performance of this Agreement and all obligations required of the Settlement Agent under this Agreement will not violate any law, rule, regulation, or governing document (e.g., limited liability company agreement) applicable to the Settlement Agent;
- d. No consent, approval, authorization, or order of or declaration or filing with any government, governmental instrumentality, agency, authority, court, or other person is required for the performance by the Settlement Agent of its duties under this Agreement except such as have been duly made or obtained;
- e. No proceedings for merger, liquidation, dissolution, or bankruptcy of the Settlement Agent or any of its subsidiaries are pending or contemplated;
- f. Neither the Settlement Agent nor any of its affiliates is controlled by a foreign government or state (or a political subdivision of such a state) or by any agency, department,



instrumentality, or enterprise of any such foreign government, state, or political subdivision;  
and

- g. The Settlement Agent is the owner of the intellectual property it uses to provide the Services and the use and possession of the valuations, models, analytics, information, and results furnished or made available to the Purchaser or the New York Fed under this Agreement do not infringe, misappropriate, or violate the rights of any third party.

16. Purchaser. The Purchaser makes the following representation and warranties to the Settlement Agent as of the date of this Agreement:

- a. The Purchaser is a limited liability company duly organized, validly existing, and in good standing under the laws of Delaware and has the power, authority, and the legal right to execute, deliver, and perform this Agreement and all obligations required of it under this Agreement and this Agreement constitutes a legal, valid, and binding obligation of the Purchaser;
- b. The Purchaser has taken all necessary organizational action to authorize entering into this Agreement on these terms and conditions; the execution, delivery, and performance of this Agreement; and the performance of all obligations imposed on it under this Agreement;
- c. The Purchaser's execution, delivery, and performance of this Agreement and all obligations required of the Purchaser under this Agreement do not violate any law, rule, regulation, or governing document (e.g., limited liability company agreement) applicable to the Purchaser, and no governmental or other notice or consent is required in connection with the execution, delivery, or performance of this Agreement by the Purchaser except such as have been duly made or obtained;
- d. The Purchaser is not in any manner relying on the information provided by the Settlement Agent in the purchase of the Eligible Notes from any Eligible Issuer; and
- e. The Purchaser has consulted with its own financial and legal advisors regarding the purchase of the Eligible Notes from any Eligible Issuer.

17. Intentionally Omitted.

### ARTICLE III

#### **DTC ELIGIBILITY**

18. The Purchaser desires to make the Eligible Notes eligible for settlement through DTC's book entry system.

19. The Purchaser, either directly or through its authorized members, managing member, agents or counsel, shall provide or cause to be provided to the Settlement Agent all information and/or documents that may be reasonably required for the Settlement Agent to complete any application that DTC may require or any information that DTC may otherwise request (the "**DTC Application**") and/or that the Settlement Agent may otherwise reasonably request. The Purchaser acknowledges that it is the responsibility of the Purchaser to confirm that an Eligible Issuer has an effective Blanket Issuer Letter of Representations (as defined in the DTC rules and procedures) with DTC covering such Eligible Issuer's Eligible Notes (the "**BLOR**"). The Purchaser agrees that the Settlement Agent shall have no

obligations with respect to the Eligible Notes hereunder unless the Eligible Issuer has an effective BLOR.

20. The Purchaser understands and agrees that DTC is not required to approve the DTC Application, and the Settlement Agent makes no representation, warranty or guarantee regarding DTC's review of, or approval or rejection of, the DTC Application.

21. In no event shall the Settlement Agent have any responsibility or liability for the DTC Application other than (i) to electronically submit the DTC Application to DTC using the information and documents provided by or on behalf of the Purchaser, and (ii) to transmit any requests or comments received from DTC to the Purchaser for response by any Eligible Issuer or the Purchaser (either directly or through its authorized members, managing member, agents or counsel).

22. The Settlement Agent makes no representations or warranties, and assumes no responsibility or liability beyond that set forth in section 19, regarding the various financing agreements, arrangements, resolutions or other authorizing actions by any Eligible Issuer (each, a "**Financing Arrangement**"), any agreement between the Eligible Issuer and its underwriter (if any), the Eligible Notes, the DTC Application or any other information or documents submitted to DTC in connection with the DTC Application.

23. The Purchaser and the Settlement Agent agree that, under this Agreement, the Settlement Agent is completing and submitting the DTC Application solely as a "Clearing DTC Participant" through its DTC Participant affiliate, Pershing LLC, and not as an "underwriter" (as defined in Section 2(a)(11) of the U.S. Securities Act of 1933, as amended, or as a "Participating Underwriter" as defined in SEC Rule 15c2-12). Further, the Purchaser and Settlement Agent hereby agree and acknowledge that the Settlement Agent (i) is not making any recommendation, implied or otherwise, to the Purchaser with respect to any Eligible Notes and (ii) is under no obligation to conduct any investigation into the Eligible Notes, any offering disclosure related to Eligible Notes or any responsibilities or obligations of the Purchaser in connection with the reoffering or resale of any Eligible Notes. Accordingly, the Settlement Agent shall not furnish or provide the Purchaser with any customer or broker lists for solicitation of potential purchasers, or otherwise assist in issuing, marketing or selling the Eligible Notes. In any purchase by the Purchaser of Eligible Notes where there is an underwriter, selling agent or selected dealer, the Purchaser acknowledges that the Settlement Agent is acting under this Agreement solely as settlement agent and not as an underwriter. The Purchaser also agrees that the Settlement Agent is not acting as a fiduciary or municipal advisor to the Purchaser with regard to the transactions contemplated herein and that the Settlement Agent does not have a fiduciary duty to the Purchaser under federal or state securities laws and is therefore not required by federal or state law to act in the best interests of the Purchaser. The Purchaser certifies that it has retained its own advisors to advise it regarding this Agreement and also acknowledges that any information provided to the Purchaser or, directly or indirectly through the Purchaser, by the Settlement Agent shall not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended, and that the Settlement Agent has provided no legal, accounting, regulatory or tax advice to the Purchaser. The Purchaser acknowledges that any Eligible Issuers or any underwriters and/or placement agents (if any) shall be responsible for any filings (and the fees related thereto) relating to the Eligible Notes required by federal or state laws or regulations, including but not limited to, rules or regulations issued by the Municipal Securities Rulemaking Board or the U.S. Securities and Exchange Commission. The Settlement Agent shall not have responsibility for making any filings due under federal or state securities laws.

24. The Purchaser hereby acknowledges that it will have the sole obligation to ensure that any resale of any Eligible Notes complies with applicable law, including the federal securities laws, and the

Purchaser hereby acknowledges that the Settlement Agent has no obligation or responsibility to ensure that any resale of Eligible Notes complies with applicable law, including the federal securities laws.

25. The Purchaser and the Settlement Agent hereby acknowledge and agree that the Settlement Agent shall have no duty to inquire into the terms and provisions of or the performance or observation of any obligation, term or condition under any Financing Arrangement other than as outlined in this Agreement.

#### ARTICLE IV

#### TERMS AND CONDITIONS

26. Compliance with Other Agreements and Instructions. The Settlement Agent shall not be subject to, nor required to comply with, any Financing Arrangement or other agreement to which the Purchaser or Eligible Issuer is a party, even though reference thereto may be made herein, or to comply with any direction or instruction (other than those contained herein or delivered in accordance with this Agreement) from the Purchaser or Eligible Issuer or any entity or person acting on behalf of either of the foregoing. The Settlement Agent shall not be required to expend or risk any of its own funds or otherwise incur any financial liability (except any liability to the Purchaser under this Agreement) in the performance of any of its duties or other obligations hereunder, or take any action which, in the Settlement Agent's sole and absolute judgment, could involve it in expense or liability unless furnished with security and other assurances which it deems, in its sole and absolute discretion, to be satisfactory.

27. Review of Eligible Notes and Eligible Issuers. The Purchaser represents that it will, prior to directing the Settlement Agent to perform its duties pursuant to this Agreement, determine that the securities to be purchased constitute Eligible Notes issued by Eligible Issuers. The Settlement Agent shall have no obligation or responsibility to determine that any issuer of securities constitutes an Eligible Issuer or that the securities issued by such Eligible Issuer constitute Eligible Notes and the Settlement Agent shall have no responsibility to conduct any investigation whatsoever to make any such determination.

28. Reliance on Instructions. The Settlement Agent is expressly authorized to rely upon instructions, guidance, approvals, and notices reasonably believed by it to have been given by one or more of the individuals designated as representatives of the Purchaser in Schedule C. All such instructions, guidance, approvals, and notices are to be communicated by secure e-mail, telephone (on a recorded line), or otherwise in writing. The Purchaser may amend Schedule C from time to time by written notice to the Settlement Agent.

29. Limitation of Liability.

a. The Settlement Agent is not liable to the Purchaser for any cost, expense, liability, or claim arising out of or in connection with the performance by the Settlement Agent of its obligations under the Agreement other than those arising out of the Settlement Agent's gross negligence, fraud, bad faith, or willful misconduct. The Settlement Agent shall not be liable for acting in accordance with or relying upon any instruction, notice, demand, certificate or document reasonably believed by it to have been given by the Purchaser, any Eligible Issuer or from any DTC Participant or any of their respective agents.

b. The Settlement Agent may consult with legal counsel as to any matter relating to this Agreement and the Settlement Agent shall not incur any liability in acting in good faith in accordance with any advice from such counsel.

c. In the event of any ambiguity or uncertainty hereunder or in any notice, instruction or other communication received by the Settlement Agent hereunder, the Settlement Agent may, in its sole discretion, refrain from taking any action other than to retain possession of the Eligible Notes unless and until the Settlement Agent receives written instructions, authorized by the Purchaser, which eliminates such ambiguity or uncertainty.

d. In the event of any dispute between or conflicting claims by or among the Purchaser, the Eligible Issuers, the DTC Participants or any other person or entity with respect to any Eligible Note, or any interests in the Eligible Notes, the Settlement Agent shall be entitled, in its sole discretion, to refuse to comply with any and all claims, demands or instructions with respect to such Eligible Notes so long as such dispute or conflict shall continue, and the Settlement Agent shall not be or become liable in any way to the Purchaser, the Eligible Issuers or the DTC Participants for failure or refusal to comply with such conflicting claims, demands or instructions. The Settlement Agent shall be entitled to refuse to act until, in its sole discretion, either (i) such conflicting or adverse claims or demands shall have been determined by a final order, judgment or decree of a court of competent jurisdiction, which order, judgment or decree is not subject to appeal, or settled by agreement between the conflicting parties as evidenced in writing satisfactory to the Settlement Agent or (ii) the Settlement Agent shall have received security or an indemnity reasonably satisfactory to it sufficient to hold it harmless from and against any and all losses, claims, damages or liabilities (including reasonable legal expenses) (“**Losses**”), which it may incur by reason of so acting. The Settlement Agent may, in addition, elect, in its sole discretion, to commence an interpleader action or seek other judicial relief or orders as it may deem, in its sole discretion, necessary. The costs and expenses (including reasonable attorneys’ fees and expenses) incurred in connection with such proceedings shall be paid by the Purchaser.

e. The Purchaser agrees to have delivered to the Settlement Agent on the closing date (i) the opinion of bond counsel with respect to such Eligible Notes and (ii) a letter of counsel verifying the due authorization and enforceability of such Eligible Notes. The Purchaser further agrees to furnish or to cause to be furnished to the Settlement Agent such other documentation that the Purchaser has received from the Eligible Issuer with respect to the authorization of the Eligible Notes. The Settlement Agent shall have the right to refuse to act as settlement agent for an issue of Eligible Notes if the information above is not provided or is not, in its sole discretion, satisfactory to it. If the Settlement Agent determines not to act as settlement agent for a particular series of notes pursuant to this section 29, then any direct, out-of-pocket expenses incurred by the Settlement Agent set out in Schedule B shall become immediately due and payable upon presentment to the Purchaser of an invoice identifying the expenses owing.

f. Neither the Settlement Agent nor the Purchaser is to be liable for any indirect, incidental, special, punitive, exemplary, or consequential damages in connection with or arising out of this Agreement.

30. Terms of the MLF Program. The Settlement Agent acknowledges that the terms and conditions of the MLF Program may change from time to time.

31. Role of the New York Fed. Unless the context otherwise requires, all references to the New York Fed in this Agreement mean the New York Fed in its capacity as the managing member of the Purchaser.

32. Notices. Any written notice, instructions, or other communications required by or pertaining to this Agreement are to be given in writing and delivered by hand or by commercial overnight carrier or 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 that system after the recipient's normal business hours). If it is impractical to give notice by hand or by commercial overnight carrier, notice is to 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 deemed given when the email is acknowledged or verified.

If to the Settlement Agent:

BNY Mellon Capital Markets, LLC  
Public Finance  
BNY Mellon Center, Suite 475  
Pittsburgh, PA 15238  
Fax No.:  
E-mail:

With a copy to Settlement Agent's Head of Markets Legal counsel:

BNY Mellon Capital Markets, LLC  
240 Greenwich Street  
New York, NY 10286  
Email:

With a copy to Settlement Agent's Chief Compliance Officer:

BNY Mellon Capital Markets, LLC  
240 Greenwich Street  
New York, NY 10286  
Email:

If to the Purchaser:

Municipal Liquidity Facility LLC  
c/o Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045  
Email: [MLF@ny.frb.org](mailto:MLF@ny.frb.org)

With a copy by email to  
to

and

If to the New York Fed:

Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045  
Attention: Markets Group – Municipal Liquidity Facility  
Email: [MLF@ny.frb.org](mailto:MLF@ny.frb.org)  
With a copy by email to \_\_\_\_\_ and  
to \_\_\_\_\_

If to the New York Fed's chief compliance officer:

Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045  
Attention: Compliance Function – Chief Compliance Officer  
Email: \_\_\_\_\_  
With a copy by email to \_\_\_\_\_

If to the New York Fed's general counsel:

General Counsel  
Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045  
Email: \_\_\_\_\_

The parties do not intend the formalities of this section 32 to inhibit their routine communication about the subject matter or administration of this Agreement. The parties may communicate about routine matters in any manner they determine to be efficient and effective, including telephone and email, subject to any Purchaser or New York Fed requirements for secure communication.

33. Recording of Telephone Conversations. The Settlement Agent acknowledges that telephone conversations between personnel of the New York Fed and personnel of the Settlement Agent in connection with the Services may be recorded.

34. Cooperation. The Purchaser expressly authorizes the Settlement Agent, in the performance of the Settlement Agent's duties under this Agreement, to communicate and otherwise interact directly with other service providers retained by the Purchaser or the New York Fed in connection with the Services.

35. Facilities and Staffing. The Settlement Agent shall provide facilities, equipment, and personnel as necessary to perform its obligations under this Agreement.

36. Fees and Expenses.

- a. Fees. The Purchaser shall pay to the Settlement Agent such compensation for its acceptance of this Agreement and the Services hereunder as set forth in Schedule B. The Settlement Agent acknowledges that no guarantee is made regarding any minimum quantity or volume

of MLF Program transactions. The Purchaser has no obligation to pay any penalty or unaccrued fees if this Agreement is terminated by either party.

- b. Expenses. The Purchaser shall reimburse the Settlement Agent for the expenses set forth in Schedule B in accordance with that schedule. The Settlement Agent shall not incur any other expenses for which it will seek reimbursement without first obtaining the Purchaser's written consent.
- c. Additional Compensation. The Settlement Agent shall not agree to accept compensation from any entity other than the Purchaser in connection with the Services to the Purchaser under this Agreement.

37. Indemnification.

- a. The Purchaser shall indemnify and hold harmless the Settlement Agent, its affiliates, and their respective officers, directors, employees, attorneys, and agents from and against any Losses incurred by or asserted against such persons arising out of or in connection with this Agreement other than any such Losses arising out of or in connection with the Settlement Agent's gross negligence, fraud, bad faith, or willful misconduct.
- b. In order to recover under an indemnity in this section 37, the party seeking to be indemnified (the "**Indemnified Party**") (i) shall provide reasonably prompt notice to the other party (the "**Indemnifying Party**") of any claim for which indemnification is sought and (ii) shall 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, whose consent is not to be unreasonably withheld. The failure to give reasonably prompt notice will limit the indemnification only to the extent of any incremental expense or actual prejudice as a result of such failure.
- c. 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, *so long as* (i) the Indemnifying Party shall inform the Indemnified Party of any settlement offers that 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 Party without the prior written consent of the affected Indemnified Party, (ii) the Indemnifying Party shall engage and pay the expenses of separate counsel for the Indemnified Party to the extent that the interests of the Indemnified Party are in conflict with those of the Indemnifying Party, and (iii) the Indemnified Party has the right to approve the counsel designated by the Indemnifying Party, which approval is not to be unreasonably withheld.

38. Term; Termination

- a. Term and Termination. This Agreement is to continue for an initial period of three months. After the initial period, this Agreement will automatically renew on a month-to-month basis until terminated. Either the Purchaser or the Settlement Agent may terminate this Agreement at the end of a particular month, including during the initial period, by giving 30 days' advance notice, in writing, to the other party, but no termination of this Agreement by the Settlement Agent is to be effective until the Purchaser has appointed a successor Settlement Agent and such successor has agreed in writing to act as the successor Settlement

Agent. If the Purchaser has not appointed a successor within thirty (30) days of such termination, the Settlement Agent may apply to any court of competent jurisdiction to appoint a successor. Notwithstanding the foregoing, the Purchaser may terminate the authority of the Settlement Agent at any time for any reason with immediate effect upon notice to the Settlement Agent.

- b. Effect of Termination. On the termination date of this Agreement or as close to such date as is reasonably practicable, the Settlement Agent shall provide the Purchaser with such information the Settlement Agent has the responsibility to maintain under Schedule A. The Settlement Agent shall also provide the Purchaser with a final invoice with supporting documentation. Upon termination of this Agreement, the Settlement Agent and the Purchaser shall cooperate to identify any ongoing record retention requirements and make arrangements for the transfer of any information the Purchaser may require for its records from the Settlement Agent to the New York Fed.
- c. Termination Assistance.
  - i. In connection with the termination of this Agreement for any reason, the Settlement Agent shall provide termination assistance in order to facilitate an orderly transition or termination of Services during the period described in subsection (c)(ii). Such assistance is to be limited to the provision to the Purchaser and the New York Fed of:
    1. Information collected by the Settlement Agent in the course of providing the Services in a reasonable format mutually agreed by the parties at the point in time that the New York Fed requests such information;
    2. reasonable access to the Settlement Agent's personnel to answer questions about the Services to assist the Purchaser and the New York Fed in transition planning;
    3. information about the Purchaser's use of the Services that the New York Fed reasonably believes is necessary or useful to continue the Purchaser's activities and operations without interruption; and
    4. upon the Purchaser's request, the continued provision of the Services during the period described in subsection (c)(ii) ("**Termination Assistance Services**") to allow time for transition of the Services to the New York Fed or a third party designated by the New York Fed.
  - ii. In the event that the Purchaser wishes to receive Termination Assistance Services, the New York Fed will provide the Settlement Agent with written notice that includes the specified period of requested Termination Assistance Services ("**Termination Assistance Period**"). The Termination Assistance Period is not to exceed six months. The Purchaser may request an extension of the Termination Assistance Period on written notice to the Settlement Agent at least 30 days prior to the expiration of the then-current Termination Assistance Period. The Termination Assistance Period is not to exceed six months, including any extension under the preceding sentence.
  - iii. The parties agree that the terms and conditions of this Agreement, including, without limitation, the fees and payment obligations under this Agreement, are to govern the provision of the Termination Assistance Services during any Termination Assistance Period. If any such Termination Assistance Services require resources in addition to



those being used by the Settlement Agent under this Agreement, the Purchaser shall pay the Settlement Agent for those additional resources on terms mutually acceptable to the parties. The Settlement Agent shall use commercially reasonable efforts to maintain Key Personnel and other Settlement Agent personnel who regularly perform the Services in those roles so they can perform the Termination Assistance Services.

- iv. The Settlement Agent shall provide the Purchaser with Termination Assistance Services at the New York Fed's request regardless of the circumstance of termination, other than continuing infringement, misappropriation, or violation by the Purchaser or the New York Fed of the Settlement Agent's intellectual property rights, so long as , if there has been infringement, misappropriation, or violation by the Purchaser or the New York Fed of the Settlement Agent's intellectual property rights, the Purchaser and the New York Fed have provided reasonable evidence of steps taken to prevent reoccurrence thereof. The Purchaser and the New York Fed agree that the Settlement Agent does not, by providing Termination Assistance Services, waive its rights to make a claim permitted by this Agreement against the Purchaser or the New York Fed, as applicable, if either of them is in material uncured breach of this Agreement. If the termination of this Agreement by the Settlement Agent was for a payment default by the Purchaser, the Settlement Agent may (without prejudice to its other rights and remedies) require that the Purchaser pay the undisputed portions of any outstanding fees and prepay for any such Termination Assistance Services.
- v. The Settlement Agent acknowledges that if it were to fail or refuse to provide Termination Assistance Services as described in this subsection (c), the Purchaser could be immediately and irreparably harmed and monetary compensation for the Settlement Agent's failure or refusal to perform might not be measurable or adequate. In such circumstances, the Purchaser may seek injunctive, declaratory, or other equitable relief, including specific performance of this subsection (c), and the Settlement Agent shall not contest the Purchaser's action for equitable remedies on the grounds that damages are an adequate remedy nor seek to have imposed on the Purchaser any obligation to post a bond or give other security as a condition to injunctive relief.

39. Engagement Not Exclusive. This agreement and the appointment of the Settlement Agent to perform the Services are nonexclusive. The Purchaser may from time to time engage additional settlement agents or other service providers to perform services for the MLF Program similar to the services to be performed by the Settlement Agent under this Agreement. The Purchaser may also at any time replace the Settlement Agent as a provider of some or all of the Services. The Settlement Agent shall cooperate with the Purchaser and the New York Fed in transitioning responsibilities for performance of the Services to other service providers appointed by the Purchaser and undertake such transitions in a manner that maintains the quality and continuity of the Services and minimizes risk to the operation of the MLF Program and disruption to the Purchaser and the New York Fed. To that end, the Settlement Agent shall execute its responsibilities under this Agreement in a manner designed to facilitate the addition of other service providers and the replacement of the Settlement Agent, and the Settlement Agent shall provide termination assistance as further described in section 38(c).

40. Other Clients. The Purchaser acknowledges and agrees that, notwithstanding the role of BNY Mellon Capital Markets, LLC, as Settlement Agent hereunder, it may act as underwriter, placement agent or financial advisor to any Eligible Issuer, including in the purchase and sale of Eligible Notes.

BNY Mellon Capital Markets, LLC shall, at all times during the term of this Agreement, comply with its obligations under Schedule E.

41. Prohibition on Delegation and Subcontracting Without Consent. The Settlement Agent shall not delegate or subcontract its duties under this Agreement to any other person (other than the entity identified in section 23) without the express written consent of the Purchaser. The Purchaser may give or withhold its consent to any proposed delegation or subcontract in its sole discretion. Any delegation or subcontract made by the Settlement Agent without the Purchaser's consent is void. The Settlement Agent 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 sections 12, 13 and 14. The Settlement Agent remains liable to the Purchaser for the performance of this Agreement by any approved delegatee or subcontractor. Moreover, without the express written consent of the Purchaser, no additional fees may be imposed on the Purchaser with respect to any such delegated or subcontracted duties, and neither the Purchaser nor the New York Fed will be liable to any delegate or subcontractor.

42. Miscellaneous

- b. Governing Law. 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.
- c. Submission to Jurisdiction. Each party hereby unconditionally and irrevocably submits itself to the exclusive jurisdiction of the courts of the United States for the Southern District of New York and appellate courts thereof; *provided that*, notwithstanding the foregoing, if there is no basis for federal jurisdiction in respect of any such legal action or proceeding or recognition and enforcement action, then each party submits for itself and its property in any such legal action or proceeding or recognition and enforcement action to the exclusive jurisdiction of the courts of the State of New York located in the Borough of Manhattan in New York City and appellate courts thereof.
- d. **WAIVER OF JURY TRIAL. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM IN SUCH ACTION OR PROCEEDING.**
- e. Integration. This Agreement, including its schedules, constitutes the entire agreement between the parties relating to its subject matter and supersedes any and all prior agreements between the parties relating to the subject matter, including the amended and restated nondisclosure agreement signed by the Settlement Agent's affiliate The Bank of New York Mellon in favor of the New York Fed with an effective date of April 2, 2020 (the "NDA"), solely as the NDA relates to the subject matter of this Agreement and with respect to information provided to, received by, or observed by the Settlement Agent by virtue of the NDA; all such information is deemed Confidential Information under this Agreement, and the Settlement Agent shall continue to have an obligation to keep such information confidential under section 12. This Agreement is not intended and is not to be interpreted as superseding or terminating the NDA as to any information relating to any other matter within the scope of the NDA or as to any person other than the Settlement Agent. Furthermore, the parties hereto acknowledge that there is a separate agreement between them with respect to the purchase of Eligible Notes through a competitive-bid process and that the subject matter of that agreement is different than that of this Agreement.

- f. No Petition. The Settlement Agent shall not commence or institute against the Purchaser, or join with or facilitate any other person in commencing or instituting against the Purchaser, 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 (as defined in the Credit Agreement at any time before the expiration of one year (or, if longer, the applicable preference period then in effect) plus one day following the date of the latest of the following: (i) termination or expiration of this Agreement, (ii) final payment of all Obligations, and (iii) termination or expiration of the Credit Agreement. The covenants and agreements in this section 42(f) survive (x) the termination or expiration of this Agreement, (y) the payment of the Obligations, and (z) the termination or expiration of the Credit Agreement.
- g. Survival. The following provisions survive the expiration or termination of this Agreement: section 4 (Records; Inspection and Audit Rights), section 12 (Confidentiality), section 14 (Security), section 32 (Notices), section 37 (Indemnification), section 38 (Term; Termination), section 42 (Miscellaneous), section 8 of Schedule E (Compliance Activities), and any other obligation that, by its nature, cannot be fully performed before the expiration or termination of this Agreement.
- h. Headings. The headings in this Agreement are provided for convenience of the parties and do not affect its meaning.
- i. Amendment. No amendment or modification of this Agreement will be effective unless it is in writing and signed by each party, except that the Purchaser may unilaterally amend Schedule C as provided in section 28. An exchange of email is not effective to amend or modify this Agreement.
- j. No Waiver. The rights and remedies conferred upon the parties hereto shall be cumulative, and no failure or delay by either party to exercise any right or remedy it may have under this Agreement waives that right or remedy. A waiver by one party of the other's compliance with any provision of this Agreement is limited to the particular instance and circumstances for which it is given unless the waiver expressly provides otherwise.
- k. No Assignment or Transfer. The Settlement Agent may not transfer or assign this Agreement without the prior written consent of the Purchaser. The Purchaser may give or withhold its consent to any proposed transfer or assignment in its sole discretion. Any transfer or assignment made by the Settlement Agent without the Purchaser's consent is void. The Settlement Agent remains liable to the Purchaser for the performance of this Agreement by any approved transferee or assignee. The restrictions in this section 42(k) are in addition to the restrictions on delegation and subcontracting in section 41.
- k. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall in no way affect the validity, legality or enforceability of any other provision; and if any provision is held to be unenforceable as a matter of law, the other provisions shall not be affected thereby and shall remain in full force and effect.
- l. Publicity. Neither the Settlement Agent nor any of its officers, directors, employees, contractors, agents, or representatives shall use the Purchaser's or New York Fed's names, any variation of the Purchaser's or New York Fed's names, or any Purchaser, New York Fed, or other Federal Reserve Entity trademark or logo in any customer list or advertising

or promotional material or otherwise publicize or communicate the Settlement Agent's relationship with the Purchaser or the New York Fed without the New York Fed's prior written consent. The Settlement Agent shall not suggest or imply in any publication or presentation that the Purchaser or the New York Fed endorses any product or service offered by the Settlement Agent.

- m. Except as permitted under section 12(h), no printed or other material in any language, including prospectuses, offering documents, notices, reports, and promotional material, which mentions BNY Mellon Capital Markets, LLC by name or the rights, powers, or duties of the Settlement Agent under this Agreement shall be issued by the Purchaser, or on behalf of BNY Mellon Capital Markets, LLC, without the prior written consent of the Settlement Agent.
- n. Counterparts. This Agreement may be executed by each of the parties hereto in any number of counterparts, each of which counterpart, when so executed and delivered, shall be deemed to be an original and all such counterparts shall together constitute one and the same agreement.
- o. Third-Party Beneficiaries. The New York Fed, in its capacity as managing member of the Purchaser, lender to the Purchaser, or otherwise is a third-party beneficiary of this Agreement. No other provision of this Agreement is intended to give, or is to be interpreted to give, any other person, including any Eligible Issuer or holder of any Eligible Note, not party hereto any legal or equitable right, remedy, or claim under or in respect of it or any of its provisions.

43. Diversity and Inclusion.

- a. Workforce Inclusion. The Settlement Agent shall use good faith efforts to ensure, to the maximum extent possible, the fair inclusion of women and minorities in the Settlement Agent's workforce. The Settlement Agent will maintain sufficient documentation that permits the New York Fed to determine whether or not the Settlement Agent has made a good faith effort in this regard. The Settlement Agent understands that the New York Fed's Office of Minority and Women Inclusion may make a determination about whether the Settlement Agent has made the required good faith effort and may recommend termination of this Agreement if the New York Fed's Office of Minority and Women Inclusion determines that the required good faith effort has not been made. The Purchaser may proceed to terminate this Agreement based on that recommendation. Any termination of this Agreement by the Purchaser pursuant to this section 43 will be without cost or penalty to the Purchaser (except payment for Services rendered prior to the termination date) notwithstanding any other provision of this Agreement to the contrary. The Settlement Agent's contact for notices from the New York Fed's Diversity & Inclusion Office is \_\_\_\_\_, \_\_\_\_\_, Global Head of Diversity & Inclusion, \_\_\_\_\_.
- b. No Discrimination. The Settlement Agent shall not discriminate on the basis of race, sex, color, religion, national origin, sex, sexual orientation, gender identity, age, genetic information, or disability in its performance of the Services or in its selection of third-party agents.

*[Remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by a duly authorized officer as of the day and year first written above.

MUNICIPAL LIQUIDITY FACILITY LLC

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

By: \_\_\_\_\_  
Name:  
Title: First Vice President

BNY MELLON CAPITAL MARKETS, LLC,  
as Settlement Agent

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by a duly authorized officer as of the day and year first written above.

MUNICIPAL LIQUIDITY FACILITY LLC

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

By: \_\_\_\_\_  
Name:  
Title:

BNY MELLON CAPITAL MARKETS, LLC,  
as Settlement Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: President and CAO

By: \_\_\_\_\_  
Title: Managing Director, Head of Trading

Schedules

- Schedule A: Services Provided by the Settlement Agent
- Schedule B: Fees and Expenses
- Schedule C: Authorized Representatives of the Purchaser
- Schedule D: Key Personnel of the Settlement Agent
- Schedule E: Conflict-of-Interest Undertakings

## SCHEDULE A

### Services Provided by the Settlement Agent

The Settlement Agent shall perform the Services specified in this schedule and such other services that are reasonably incidental to the Services.

#### I. Presettlement Services

A. With a notice from the Purchaser of at least three business days before the date on which settlement for the Purchaser's direct purchase of Eligible Notes from an Eligible Issuer is to occur ("**Settlement Date**"), the Settlement Agent shall do the following:

1. Coordinate with the Purchaser and/or the Purchaser's administrative agent ("**Administrative Agent**") to confirm (i) Settlement Date, (ii) the amount of Eligible Notes to be settled on Settlement Date, (iii) the delivery instructions for those Eligible Notes, and (iv) additional agreed-upon closing information; and
2. Begin preparing the application to make the Eligible Notes eligible for settlement through DTC's book-entry system (the "**DTC Application**").

B. Thereafter, the Settlement Agent shall initiate a preclosing call to confirm closing details. This call is to include the Purchaser, Eligible Issuer (or its paying agent), the Administrative Agent, the custodian designated by the Purchaser ("**Custodian**"), the administrator designated by the Purchaser ("**Administrator**"), and counsel designated by the Purchaser. This preclosing call is expected to occur two business days prior to the Settlement Date.

C. In a timely manner, generally at least two business days prior to the Settlement Date, the Settlement Agent shall file the DTC Application.

D. Optional Presettlement Service. If requested by the Purchaser, the Settlement Agent shall obtain, at least four business days before the Settlement Date, CUSIP numbers for the Eligible Notes to be settled and shall thereafter provide that information to the Administrator, the Administrative Agent, and the Custodian.

#### II. Settlement Date Services. On Settlement Date, the Settlement Agent shall do the following:

A. Initiate a DTC closing call with the Purchaser and the Eligible Issuer and its paying agent;

B. Take delivery of the Eligible Notes in the Settlement Agent's account at DTC once those Eligible Notes have been released by the Eligible Issuer;

C. Send such Eligible Notes free of payment to the Custodian for further credit to the Purchaser's custody account;



- D. Obtain from the Eligible Issuer (or the Eligible Issuer's financial advisor or counsel) documentation required to support the purchase by the Purchaser of the Eligible Notes and forward any such documentation to the Administrator; and
- E. Prepare and send to the Administrator and the Purchaser a summary of the settlement process that is to detail any funds transfers and securities movements involved in the settlement, as well as a description of any problems encountered in the settlement process.
- III. Other Services. At the direction of the Purchaser, the Settlement Agent shall deliver information about the Eligible Notes to Bloomberg, ICE, and such other pricing services as the Purchaser may request for inclusion in their respective securities description databases.

## **SCHEDULE B**

### **Fees and Expenses**

#### I. Fees and Expenses for Ongoing Services

The Purchaser shall pay the Settlement Agent the fees and expenses set forth in this schedule within five business days after the Settlement Agent presents to the Purchaser (or an agent designated by the Purchaser) an invoice for Services rendered. The invoice must identify the Services covered, the Settlement Date or Settlement Dates to which the invoice relates, and the fees and expenses owing.

For each series of Eligible Notes issued by an Eligible Issuer for which the Settlement Agent successfully arranges settlement on a particular Settlement Date, the Purchaser shall:

1. Pay the Settlement Agent a fixed fee of \$3,000; and
2. Reimburse the Settlement Agent for its direct, out-of-pocket expenses incurred in having DTC make the Eligible Notes eligible for book-entry settlement, which are estimated to be \$500 to \$800.

The fee above is based on no more than 20 Eligible Notes being settled on any particular Settlement Date.

#### II. Expenses for Optional Service

If the Purchaser requests the Settlement Agent to obtain a CUSIP number for an Eligible Note to be settled, the Purchaser shall reimburse the Settlement Agent for its direct, out-of-pocket expense to do so, which is estimated to be \$200.

#### III. One-Time Expenses

The Purchaser shall reimburse the Settlement Agent on a one-time basis for its attorneys' fees and expenses for preparing this Agreement, subject to a cap of \$37,500. The amount will be due no later than one business day after the first Settlement Date under this Agreement so long as the Settlement Agent presents to the Purchaser (or an agent designated by the Purchaser) an invoice on that Settlement Date that identifies the expenses owing. If no such settlement has occurred on or before August 31, 2020, the Settlement Agent may present an invoice for these expenses to the Purchaser (or an agent designated by the Purchaser), and the Purchaser shall pay such invoice within five business days of receipt.

**SCHEDULE C**

**Authorized Representatives of the Purchaser**

For matters relating to the Services:

First Vice President/Chief Operating Officer

Phone:

Email:

Assistant Vice President

Phone:

Email:

Assistant Vice President

Phone:

Email:

Central Bank Services Senior Business Specialist

Phone:

Email:

For matters relating to information security:

Information Security Officer

Phone: 31

Email:

**SCHEDULE D**

**Key Personnel of the Settlement Agent**

## SCHEDULE E

### Conflict-of-Interest Undertakings

The Purchaser acknowledges that the Settlement Agent has discussed its operating procedures, standards and Policies (defined below) for the Services to be provided pursuant to this Agreement and that the Purchaser has been able to ask questions of knowledgeable staff of the Settlement Agent regarding such operating procedures, standards and Policies. In addition, the Purchaser acknowledges that the Settlement Agent has provided copies of its policies and procedures, including, but not limited to (i) confidential and proprietary information, (ii) business conflicts of interest, (iii) code of conduct, (iv) Securities Firewall, (v) Securities Firewall Control Room, (vi) Personal Securities Trading, and (vii) Incident Reporting Policy (collectively, the “**Policies**”).

1. Misuse of Information for Private Gain. Neither the Settlement Agent nor any of its affiliates (or their respective employees, officers, directors, contractors, or other agents) shall use any Confidential Information except to fulfill the purposes of this Agreement and as expressly permitted in this Agreement. This restriction prohibits, without limitation, use of any Confidential Information for the benefit of the Settlement Agent or any of its affiliates (or their respective employees, officers, or directors); for the benefit of any client of the Settlement Agent other than the Purchaser; and to inform any financial transaction, render any advice or recommendation, or attempt to influence any market or transaction for the benefit of any individual or entity other than the Purchaser.

2. Vendor Bias. The Settlement Agent shall not recommend to the Purchaser or the New York Fed in connection with the Settlement Agent’s performance of the Services any products or services of an individual or entity (including affiliates of the Settlement Agent) from which the Settlement Agent may receive a financial incentive based on (i) the Settlement Agent’s recommendation of the product or service to the Purchaser or the New York Fed or (ii) the Purchaser’s or the New York Fed’s purchase of the product or service unless, in each case, the Settlement Agent first discloses in writing to the Purchaser and the New York Fed the nature of the relationship and the specific terms of any financial incentive the Settlement Agent may receive.

3. New York Fed Employees. The Settlement Agent acknowledges that New York Fed employees are required to adhere to a code of conduct, a copy of which is posted on the “Vendor Information” page of the New York Fed’s public website. Among other things, the code of conduct prohibits New York Fed employees from using their New York Fed positions for private gain and from soliciting or accepting gifts, meals, and other things of value from persons doing business, or seeking to do business, with the New York Fed. The Settlement Agent shall not offer any New York Fed employee gifts, meals, or other things of value unless an exception applies that would permit the employee to accept the gift, meal, or other thing offered consistent with the code of conduct.

4. Policies and Procedures.

a. The Settlement Agent shall maintain during the term of this Agreement a code of ethics and a code of business conduct that sets out basic principles designed to guide employees in the course of their business activities. The Settlement Agent shall include in its code of conduct, among other things, requirements that all of the Settlement Agent’s employees hold client information strictly confidential and that they be made aware of and comply with all laws and regulations and

all policies and procedures, in each case as applicable to the individual employees' job duties. The code of ethics must 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 preclear investments and be subject to certain blackout and short-term trading restrictions.

b. The Settlement Agent shall abide by its code of conduct, conflict-of-interest, and ethical wall policies and procedures. The Settlement Agent represents, as of the date of this Agreement, that such policies and procedures are designed to, among other things (i) identify any material conflicts of interest between the Settlement Agent and the Purchaser or the New York Fed; (ii) require reporting of any conflicts of interest between the Settlement Agent and the Purchaser or the New York Fed that develop during the term of this Agreement; and (iii) prevent the use by the Settlement Agent of Confidential Information to enter into a trade or transaction for any party other than the Purchaser.

c. The Settlement Agent shall take steps to mitigate any conflict of interest that could arise from the Settlement Agent's seeking to advise, or act as an underwriter for, an Eligible Issuer while acting as Settlement Agent.

5. Disclosure of Conflicts.

a. The Settlement Agent shall disclose potential conflicts of interest to the New York Fed as they arise and, at the request of the New York Fed will cooperate with the New York Fed to mitigate or avoid the conflict or, if the conflict cannot be adequately mitigated or avoided in the New York Fed's sole discretion, recuse itself from providing the Services.

b. The Settlement Agent shall also provide the New York Fed with (i) a written disclosure of all material potential or actual conflicts of interest between the Purchaser or the New York Fed on the one hand and itself, its corporate parents, subsidiaries, affiliates, or proposed subcontractors on the other hand that might 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. The mitigation plan must include details concerning the implementation of the plan, including the Settlement Agent's plan to avoid, mitigate, or neutralize any such conflicts.

6. Ethical Wall.

a. The Settlement Agent has provided an information barrier policy to the New York Fed, and thereafter agrees to maintain such policy which at a minimum will ensure that (i) personnel assigned to provide the Services are adequately segregated from personnel involved with the Settlement Agent's other activities that might be in conflict with the duties the Settlement Agent owes to the Purchaser or the New York Fed under this Agreement and (ii) any information related to the Services is not shared with personnel involved in activities that might be in conflict with the Settlement Agent's duties to the Purchaser or the New York Fed under this Agreement without appropriate vetting and controls being put in place by the Settlement Agent's legal and compliance departments.

b. The Settlement Agent's compliance department provides mandatory annual compliance training relating to the firm's Securities Firewall Policy.

c. Individuals within the Settlement Agent's organization who sit atop the ethical wall shall be especially vigilant to ensure that discussions with or advice, guidance, or direction given to

individuals on the other side of the wall from those personnel assigned to provide the Services is not based on or influenced by Confidential Information. The Settlement Agent's internal audit or compliance department shall review the Settlement Agent's implementation of its information barrier policy in accordance with the Settlement Agent's own policies for conducting such reviews.

7. Additional Investment Restriction. The Settlement Agent shall ensure that personnel with knowledge of Confidential Information related to Eligible Issuers' participation in the MLF Program refrain from purchasing or selling financial interests in those Eligible Issuers using any such Confidential Information.

8. Compliance Activities.

a. The Settlement Agent shall conduct periodic e-mail surveillance reviews of all individuals with access to Confidential Information to ensure compliance with the information barrier policy described in section 6(a) of this schedule. The Settlement Agent shall also conduct periodic reviews of access permissions for all network systems and folders containing Confidential Information.

b. The Settlement Agent shall maintain a list of each of the individuals who have been assigned to provide Services and the dates of those assignments that can be reviewed by the New York Fed.

c. The Settlement Agent shall require employees, officers, directors, and agents to promptly report any breach or suspected breach of the requirements in this article to the appropriate compliance officer. The Settlement Agent's compliance department shall maintain a log of all incidents of noncompliance and shall complete a review of any reported incidents. The results of the review are to be analyzed and appropriate actions or mitigating remedies, such as counseling employees, are to be taken in an effort to avoid similar incidents.

d. The Settlement Agent shall retain records relating to these compliance activities in accordance with section 4(a) of this Agreement.