

AGREEMENT BY AND BETWEEN

JPMorgan Chase Bank, N.A.
Columbus, Ohio
And
The Office of the Comptroller of the Currency

Whereas, JPMorgan Chase Bank, N.A., Columbus, Ohio (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller” or “OCC”) wish to protect the interests of the depositors, customers, and shareholders of the Bank, and toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules, and regulations; and

Whereas, the Comptroller, through his National Bank Examiners, has conducted ongoing examinations of the Bank and reviewed available information indicating that certain employees and agents of the Bank and its predecessors in interest engaged in illegal conduct and/or unsafe or unsound practices in connection with the marketing and sale of certain derivative financial products to certain municipalities and other non-profit organizations (“counterparties”) in certain competitively bid and negotiated transactions, prior to 2006; and

Whereas, the Bank terminated its participation in the marketing and sale of derivative financial products, other than commodities derivatives, to municipalities in August 2008, but continues to provide such products to certain non-profit organizations known as “Section 501(c)(3) organizations” (*e.g.*, major universities and large non-profit hospitals) and public pension funds; and

Whereas, those business units within the Bank, where the illegal conduct and/or unsafe or unsound practices related to the marketing and sale of certain derivative

financial products occurred, are now part of the company's Global Rates and Public Finance business organizations of the Fixed Income Division within the Investment Bank line of business (hereafter "Rates and Public Finance"); and

Whereas, the Bank is taking steps to enhance and strengthen its policies, procedures, systems, and controls over certain business units within Rates and Public Finance, which have operated under a heightened supervision plan approved by the OCC since March 2009; and

Whereas, the Bank agrees to make payment to the counterparties and in the amounts identified in Exhibit A hereto; and

Whereas, it is the further goal of the Comptroller and the Bank that the Bank shall establish and maintain policies, procedures, systems, and controls on an enterprise basis to effectively manage all businesses that involve competitive bidding; and

Whereas, in consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors ("Board"), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of the Agreement.

ARTICLE I

JURISDICTION

(1) This Agreement shall be construed to be a "written agreement entered into with the agency" within the meaning of 12 U.S.C. § 1818(b)(1) and (6).

(2) This Agreement shall be construed to be a “written agreement between such depository institution” and the OCC within the meaning of 12 U.S.C. § 1818(e)(1) and (i)(2).

(3) This Agreement shall not be construed to be a “formal written agreement” within the meaning of 12 C.F.R. §§ 5.3(g)(4), 5.51(c)(6), and 24.2(e)(4), unless the OCC informs the Bank otherwise.

(4) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) All reports or plans which the Bank or Board has agreed to submit to the Deputy Comptroller, Large Bank Supervision pursuant to this Agreement shall be forwarded to:

Deputy Comptroller, Large Bank Supervision
Office of the Comptroller of the Currency
250 E. Street, S.W.
Washington, DC 20219

With a copy to be hand-delivered to:

Examiner-in-Charge, Large Bank Supervision
Office of the Comptroller of the Currency
1166 Avenue of the Americas, 21st floor
New York, NY 10036

ARTICLE II

POLICIES AND PROCEDURES

(1) Within sixty (60) days of the date of this Agreement, the Bank shall develop a detailed written plan (“Plan”) to ensure appropriate control and oversight of both competitively bid and negotiated derivatives transactions that are conducted in certain business units within Rates and Public Finance, *i.e.*, the Tax Exempt Derivatives

Group and the Middle Market Interest Rates Sales Team, including the marketing and sale of derivative financial products to any public pension fund and/or Section 501(c)(3) organization. The Plan will be designed to detect and prevent potential collusion, bid-rigging, price fixing or other improper anticompetitive activity. The Plan shall, at a minimum:

- (a) identify those provisions and requirements of the existing heightened supervision plan that the Bank intends to incorporate into the Plan;
- (b) identify those provisions and requirements of the existing heightened supervision plan that the Bank does not intend to incorporate into the Plan and provide a written explanation for the Bank's decision not to retain those provisions and requirements;
- (c) identify and describe any additional control and supervision enhancements designed to ensure that all competitively bid and negotiated transactions are conducted in a safe and sound manner and in compliance with all applicable laws and regulations, including antitrust laws;
- (d) require a supervisor review process, with reporting requirements, for monitoring and ensuring ongoing compliance with the control enhancements of this paragraph; and
- (e) require development and maintenance of appropriate management information systems ("MIS") to capture, at a minimum, the following information:

- (i) Identification of the broker(s) or financial advisors involved in the transaction and description of services performed for which fees are paid by the Bank;
- (ii) Identification of the transaction type and description of the transaction terms including investment amount and other terms;
- (iii) Identification of the trader supporting the transaction, the price (and rationale) established by the trading desk, and explanation of the difference between the offered price and the trading desk price; and
- (iv) For competitively bid transactions, whether the bid was won or lost; and if won, identification of the final transaction price, the amount recorded on the Bank's books and records, including any anticipated revenue/profit; the amount of sales credit attributed to the marketer(s); and the methodology for determining the sales credit to the marketers.

(2) Within sixty (60) days of the date of this Agreement, the Bank shall submit the Plan required by this Article to the Examiner-in-Charge for review. In the event the Examiner-in-Charge recommends changes to the Plan, the Bank shall incorporate those changes. The Bank shall immediately implement and adhere to the Plan following receipt of the Examiner-in-Charge's supervisory non-objection or recommended changes.

(3) As noted above, the Bank terminated its participation in the marketing and sale of certain derivative financial products to municipalities in August 2008. If the Bank determines to reengage in such marketing and/or sale of such products to municipalities, prior to doing so, the Bank shall notify the OCC in writing and provide a detailed

description of how it intends to ensure that such transactions comply with all applicable laws and regulations, including policies and procedures designed to ensure that any such transactions, including competitively bid and negotiated transactions, will be conducted in compliance with safe and sound banking practices, and applicable laws and regulations. The policies and procedures shall be designed to prevent and detect potential collusion, bid-rigging, price fixing or other improper anticompetitive activity. In the event the Examiner-in-Charge recommends changes to the policies and procedures, the Bank shall incorporate those changes. The Bank shall not engage in any such transactions unless and until the policies and procedures submitted pursuant to this paragraph receive written supervisory non-objection from the Examiner-in-Charge. To receive written supervisory non-objection, the policies and procedures, at a minimum, shall:

- (a) Specify responsibility related to sales/marketing, trading, desk supervision, risk management, trade accounting, reporting, financial control, and training;
- (b) Require development and maintenance of appropriate MIS to capture bid records and information for bids won and bids lost;
- (c) Require a supervisor review process with reporting requirements; and
- (d) Require monitoring and surveillance of telephone and email communications for the marketing and trading desks involved in the marketing, pricing, or sale of competitively bid and negotiated derivative financial product transactions with municipalities.

ARTICLE III

COMPLIANCE, TRAINING AND AUDIT

(1) Within sixty (60) days of the date of this Agreement, the Bank shall develop a written program to test the Bank's compliance with the requirements of Article II of this Agreement. This program shall be designed to test the adequacy of the Plan, and policies and procedures intended to identify and prevent potential collusion, bid-rigging, price fixing, or other improper anticompetitive activity. This program shall, at a minimum, include periodic and regular reviews, sample transactions testing, transaction reports, and transaction telephone and email surveillance.

(2) Within sixty (60) days of the date of this Agreement, the Bank shall develop a training program to ensure awareness of and compliance with the requirements of all applicable laws and regulations for employees with duties and responsibilities relating to the requirements of Article II of this Agreement.

(3) Within sixty (60) days of the date of this Agreement, the Bank shall develop an internal audit program designed to test the Bank's compliance and training programs required in paragraphs (1) and (2) of this Article.

(4) Within sixty (60) days of the date of this Agreement, the Bank shall submit the programs required by this Article to the Examiner-in-Charge for review. In the event that the Examiner-in-Charge recommends changes to the programs, the Bank shall incorporate those changes. The Bank shall immediately implement and adhere to the programs following receipt of the Examiner-in-Charge's no objection or recommended changes.

ARTICLE IV

POLICIES, PROCEDURES AND INTERNAL CONTROLS FOR ALL COMPETITIVELY BID TRANSACTIONS

(1) Within ninety (90) days of the date of this Agreement, the Bank shall complete a formal assessment that identifies all business lines within the Bank that engage in business activities that involve competitively bid transactions. For the purposes of this Agreement, a “competitively bid transaction” means a transaction in which the Bank submits a binding bid to provide or purchase a financial product in a competitive process that is intended to result in the selection of one or more winning bids, free from any collusion. The assessment shall identify the business unit and describe the type of financial products and services provided in competitively bid transactions. The Bank shall report the findings of the assessment to the Board and the Examiner-in-Charge.

(2) Within one hundred and twenty (120) days of the date of this Agreement, the Bank shall complete a formal evaluation of the operational policies and procedures applicable to each business unit that engages in competitively bid transactions. The Bank shall ensure that detailed written policies and procedures exist to ensure compliance with safe and sound banking practices, laws, and regulations related to competitively bid transactions. Upon completion, the Bank shall submit the formal evaluation to the Board and the Examiner-in-Charge. In the event the Examiner-in-Charge recommends changes to the policies and procedures, the Bank shall incorporate those changes, and the Bank shall immediately implement and adhere to the amended policies and procedures.

(3) Within one hundred and twenty (120) days of the date of this Agreement, the Bank shall develop a comprehensive internal training program to ensure compliance

with all laws and regulations related to competitively bid transactions. At a minimum, the training program shall require annual training for all employees participating in competitively bid transactions. Upon request of the Examiner-in-Charge, the Bank shall provide a list of such employees.

(4) Upon development and finalization of the training program, the Bank shall submit the training program to the Examiner-in-Charge for review. In the event the Examiner-in-Charge recommends changes to the training program, the Bank shall incorporate those changes into the program. The Bank shall immediately implement and adhere to the training program upon receipt of the Examiner-in-Charge's no objection or recommended changes.

(5) The Bank shall provide training materials including a list of all staff that received training and the date of the most recent session attended to the Examiner-in-Charge at least annually.

ARTICLE V

REPORTING

(1) Prior to December 30, 2011, and annually thereafter, the Bank shall prepare and submit an annual report to senior management, the board of directors and the OCC that details its supervisory control policies and procedures, identifies significant weaknesses, summarizes the results of testing, and discusses additional or amended procedures implemented in response to such testing pursuant to this Agreement.

Following the submission of each annual report, the Bank will have the opportunity to review with the Examiner-in-Charge any changes that may be appropriate as a result of

developments in the law or business circumstances that would affect the Bank's obligations under this Agreement.

ARTICLE VI

PAYMENT OF UNJUST ENRICHMENT TO HARMED MUNICIPALITIES AND OTHER NON-PROFIT ORGANIZATIONS

(1) Within ten (10) days of the date of this Agreement, the Bank shall deposit into a segregated deposit account at the Bank an amount not less than thirteen million fifty-one thousand five hundred twenty-six dollars and sixty-two cents (\$13,051,526.62), which represents the amount to be paid by the Bank related to certain derivative financial products sold to the counterparties in **Exhibit A** of this Agreement, plus prejudgment interest thereon calculated from the date of each transaction to November 30, 2009.

(2) Within sixty (60) days, the Bank shall pay each listed counterparty the amount identified in **Exhibit A**.

(3) Within ninety (90) days, the Bank shall submit a written report to the Examiner-in-Charge confirming that all payments required by this Article have been made consistent with **Exhibit A**. If any payments are still outstanding, the report shall detail the reasons, the amount of funds still to be paid, and the expected time frame in which the required payments will be made to the remaining recipients.

ARTICLE VII

OTHER PROVISIONS

(1) Although the Board has agreed that the Bank shall submit certain programs and reports to the Deputy Comptroller or Examiner-in-Charge for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him/her by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Deputy Comptroller.

(5) In such instance in this Agreement in which the Board is required to ensure adherence to, and undertake to have the Bank perform certain obligations, it is intended to mean that the Board shall:

- (a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of the Agreement;
- (c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and

(d) require corrective action of any non-compliance with such actions be taken in a timely manner.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract. The Bank also expressly acknowledges that no officer or employee of the OCC has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller’s exercise of his/her supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set her hand on behalf of the Comptroller.

//signed//

7/6/2011

Sally G. Belshaw
Deputy Comptroller for Large Bank Supervision
Office of the Comptroller of the Currency

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

<u>//signed//</u> Frank Bisignano	<u>7/6/2011</u> Date
<u>//signed//</u> Douglas Braunstein	<u>7/6/2011</u> Date
<u>//signed//</u> James Crown	<u>7/6/2011</u> Date
<u>//signed//</u> James Dimon	<u>7/6/2011</u> Date
<u>//signed//</u> Laban Jackson	<u>7/6/2011</u> Date
<u>//signed//</u> Barry Zubrow	<u>7/6/2011</u> Date
<u>//signed//</u>	<u>7/6/2011</u>

Exhibit A

Transaction Date	Counterparty Name	Total Payments
2/17/1999	Illinois Health Facilities Authority	\$26,646.22
8/4/1999	Harris County Health Facilities Development Corp.	\$213,893.97
8/12/1999	Mustang Improvement Authority	\$18,248.54
5/22/2001	Towanda Area School District, PA	\$193,969.57
5/31/2001	Salisbury-Elk Lick School District, PA	\$91,077.97
6/6/2001	Pottstown School District, Montgomery County, PA	\$52,642.18
7/17/2001	Central Greene School District, PA	\$20,444.78
8/1/2001	Shaler Area School District, PA	\$78,507.96
8/14/2001	Pine-Richland School District, PA	\$252,053.46
8/16/2001	Greater Orlando Airport Authority (GOAA)	\$853,729.47
8/22/2001	Texas Medical Center	\$663,548.73
8/27/2001	Immanuel Retirement Communities Inc., Nebraska	\$248,077.52
9/30/2001	Harrisburg Parking Authority, PA	\$375,900.11
10/3/2001	Ohio University	\$167,175.01
11/16/2001	Pennsylvania Intergovernmental Cooperation Authority (PICA)	\$3,321,024.63
11/20/2001	New York State Housing Finance Agency (Chelsea Arms Housing Revenue Bonds, 1998 Series A)	\$12,529.76
11/20/2001	City of Minnetonka	\$20,776.38
12/4/2001	City of Bethlehem, Northampton and Lehigh Counties, PA	\$182,731.29

1/4/2002	New Hampshire Turnpike (New Hampshire State Turnpike Authority)	\$56,882.07
3/13/2002	South Central Connecticut Regional Water Authority	\$299,410.23
3/19/2002	West Middlesex Area School District, PA	\$75,143.30
4/8/2002	Mass. Development Finance Authority (WGBH Educational Foundation)	\$58,259.30
4/16/2002	Philadelphia International Airport (City of Philadelphia, PA)	\$1,375,772.14
4/25/2002	Northumberland County Authority, PA	\$110,785.43
5/7/2002	Ambridge Area School District, PA	\$203,053.11
5/28/2002	Muhlenberg School District, PA	\$80,601.23
6/3/2002	North Hills School District, PA	\$201,276.70
6/19/2002	Mars Area School District, PA	\$269,911.29
6/21/2002	City of Chicago Sales Tax	\$1,324,731.79
7/16/2002	Curators of the University of Missouri	\$701,156.17
7/24/2002	Kiski Area School District, PA	\$383,678.67
1/14/2003	City of El Monte	\$55,692.13
1/23/2003	NJEFA (Centenary College)	\$11,181.85
7/1/2003	Harlandale Independent School District, TX	\$398,679.12
10/28/2003	Bridgeway Apartments, LLP	\$15,813.14
3/4/2004	City of Kurtwood	\$11,311.31
3/5/2004	Whitney Pelican	\$14,139.14
4/6/2004	Peoples Serving Peoples Charities, Inc.	\$50,900.91
4/15/2004	PHS/Beacon Hills Inc.	\$24,036.54
5/6/2004	San Angelin Apartments LP	\$129,542.58
5/6/2004	San Fernando Apartments LP	\$160,520.16

5/24/2004	Wingate, LLC (Washington State Housing Finance Commission)	\$29,569.50
6/19/2004	New Jersey Health Care Facilities Financing Authority (RWJ Health Care Corp at Hamilton Obligated Group)	\$37,006.15
2/16/2005	Atrium Court Apartments	\$11,511.55
3/23/2005	Franklin and Marshall College	\$78,498.94
4/27/2005	Presbyterian Homes - PHM/Inver Grove, Inc. (Issuer: City of Inver Grove Heights, MN)	\$29,524.59
5/3/2005	Louetta Village Apartments 45	\$33,384.58
6/8/2005	Presbyterian Homes - Vestcor Fund XVIII (Issuer: Duval County Housing Finance Authority)	\$26,575.45
Total		\$13,051,526.62