

SULLIVAN & CROMWELL LLP

TELEPHONE: 1-310-712-6600
FACSIMILE: 1-310-712-8800
WWW.SULLCROM.COM

*1888 Century Park East
Los Angeles, California 90067-1725*

NEW YORK • PALO ALTO • WASHINGTON, D.C.

FRANKFURT • LONDON • PARIS

BEIJING • HONG KONG • TOKYO

MELBOURNE • SYDNEY

September 16, 2014

Via FedEx

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

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

Re: Indemnification Obligations

Dear Sirs:

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

The additional matter that gives rise to JPMC's indemnity rights is a claim by the Department of the Treasury, Internal Revenue Service ("IRS") against Snohomish Securities Inc. ("Snohomish") for certain tax liabilities. Snohomish merged with Washington Mutual Bank, F.A. prior to the receivership. The IRS asserts

Federal Deposit Insurance Corporation

that Snohomish is liable for certain taxes, totaling \$12,669.70, for tax year 2006—also pre-receivership. Enclosed is a true and correct copy of the Notice of Intent to Levy that JPMC has received from the IRS, dated July 8, 2013.

JPMC is not aware of any claim concerning [REDACTED] filed by the [REDACTED] in the FDIC receivership by the December 30, 2008 claims bar date, as required by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. § 1821(d)(3)(13) (“FIRREA”). As you know, if the [REDACTED] did not file a claim in the FDIC receivership by the claims bar date, then any alleged tax liability that the [REDACTED] may seek to assert against either the FDIC or JPMC arising from pre-receivership conduct by WMB or its subsidiaries is statutorily barred for failure to exhaust the administrative claims process mandated by FIRREA. FIRREA’s statutory bar would apply equally to any unexhausted claims that the [REDACTED] might assert against either the FDIC or JPMC. If your records show that the [REDACTED] did not file a timely proof of claim, we request that you immediately inform it that any claims against either the FDIC or JPMC are barred, just as you have informed other taxing authorities in recent correspondence that their claims are barred.

In the event the [REDACTED] did submit a timely claim in the WMB receivership (we would appreciate receiving copies if any were filed), we note that at the time of WMB’s closure, its books and records showed no such liability. (If you disagree, please identify where on WMB’s books and records such a liability was reflected.) As you know, the liabilities assumed by JPMC were limited to those on WMB’s “Books and Records,” with a “Book Value,” when WMB was closed. JPMC did not assume any WMB liabilities that did not have a book value on WMB’s books and records at the time WMB was placed into receivership, nor did it assume, for those liabilities on WMB’s books and records, liability for any amounts in excess of such book value. Thus, any liability for conduct that precedes WMB’s closure remains with the FDIC.

JPMC is advising you that the imposition of any of this tax liability on JPMC is subject to indemnification by the FDIC pursuant to Section 12.1 of the Agreement. We are also advising you that JPMC may incur costs and expenses in connection with defending the assessment of the liability against JPMC, all of which would be subject to indemnification. We understand the FDIC Receiver consents to our defending and, if we deem it to be prudent, settling such claims.

As you are aware from previous correspondence notifying you of the FDIC’s indemnification obligations in other matters, the matters identified in this letter are not intended to be exhaustive or to constitute a statement that no other facts have or may come to our attention that could result in claims for which

Federal Deposit Insurance Corporation

indemnification is provided, and we reserve the right to supplement this notice as additional facts or circumstances may arise.

Sincerely,


Robert A. Sacks

Enclosure

cc: Lawrence N. Chanen
Joanna Jagoda
Thomas McEvoy
Carl Schoer
(JPMorgan Chase Bank, N.A.)
(Via Email without enclosures)

Richard Osterman
David Gearin
✓ Kathryn Norcross
(Federal Deposit Insurance Corporation)
(Via Federal Express with enclosures)

Brent McIntosh
(Sullivan & Cromwell LLP)
(Via Email without enclosures)