

# SULLIVAN & CROMWELL LLP

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September 16, 2014

Via FedEx

Federal Deposit Insurance Corporation,  
Receiver of Washington Mutual Bank, Henderson, Nevada,  
1601 Bryam 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 additional matters for which JPMC is entitled to indemnification under Section 12.1 of the Agreement.

By this letter, JPMC is notifying you that the [REDACTED] Department of Finance ("[REDACTED]") has sent JPMC a tax assessment notice asserting that the "FDIC as Receiver for Washington Mutual," "c/o JPMorgan Chase Corporate" is liable for certain consolidated business tax liabilities of WMB for tax

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year 2003-prior to the 2008 receivership and accumulated interest through June 8, 2014, totaling \$36,901.355. Enclosed is a true and correct copy of the tax assessment notice, dated May 29, 2014.

JPMC is not aware of any claim filed by [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)(B) ("FIRREA"). As you informed [REDACTED] in a letter dated March 26, 2013, [REDACTED] did not file an administrative claim with the FDIC for any allegedly owed taxes by before 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)(B) ("FIRREA"). The FDIC also informed [REDACTED] in a subsequent letter, dated January 13, 2014, that "[a]s a result, any alleged tax liability arising out of WMB is barred and cannot be asserted against either JPMC or [the FDIC]."

[REDACTED]

Regardless of whether [REDACTED] filed a claim in the FDIC receivership by the claims bar date, 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 preceded WMB's closure remains with the FDIC.

JPMC is advising you that the imposition of any of these tax liabilities 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 these liabilities 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

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

Signature

Robert A. Sacks

Enclosures

cc:      Lawrence N. Chanen  
          Joanna Jagoda  
          Thomas McEwoy  
          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)