

## STATEMENT OF WORK

**Workout Administration Services**

FTI CONSULTING, INC (“Supplier”), MS FACILITIES LLC, a Delaware limited liability Company (“the Company”), the Federal Reserve Bank of Boston (the “Bank”), as managing member of the Company (the “Managing Member”) enter into this Statement of Work (“SOW”) for Services pursuant to the Professional Services Agreement between the parties having an Effective Date of March 1, 2021, including all amendments thereto, (the “Agreement”). This SOW is entered into pursuant to and governed by the terms of the Agreement, which is incorporated herein by reference. All Services provided hereunder by the Supplier shall conform to the Service Standard. This SOW shall be effective for the period of time defined below.

Terms capitalized herein and not otherwise defined are defined in the Participation Agreement under the Main Street Lending Program Standard Terms and Conditions issued on July 31, 2020 (the “**Standard Terms**”)<sup>1</sup>.

**Description of Services:**

The Supplier shall provide workout administration services for Loans that have an Elevation status as defined in the Participation Agreement, meet the conflict obligations of Schedule E of the Agreement<sup>2</sup>, and are assigned to the Supplier by the Company, and other loans at the discretion of the Company (“**Assigned Loans**”). Specific services for each Assigned Loan shall include, but are not limited to the following:

1. Conflicts Check: The following conflicts process shall be followed for Loan in accordance with Schedule E:
  - a. *Annual Check*: All Loans will be subject to a conflicts check at least annually. As part of this annual check, Company shall provide to Supplier a list of all outstanding Loans and Supplier shall review the list against its list of customers. Within five (5) business days of receipt of the list from the Company, Supplier shall notify the Company of any identified conflicts.
  - b. In addition to the annual check, the supplier has run a pre-clearance process that reviewed the total MSLP loan portfolio for conflicts. For any loans that a conflict of interest may arise, the supplier will notify the company on an ongoing basis. For loans being assigned to the Supplier by the Company, the Supplier will update its conflicts check database to reflect that the loan is active, and Supplier is the Workout Administrator. Supplier will notify the Company if any potential conflicts arise at that time.
    - i. In the event of a conflict, the Company will use an alternative vendor to provide the workout services.

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<sup>1</sup> <https://www.bostonfed.org/-/media/Documents/special-lending-facilities/mslp/legal/loan-participation-agreement-standard-terms-and-conditions.pdf?la=en>

<sup>2</sup> Please see Schedule E of the Agreement for the definition of conflict.

- c. In addition to the conflicts checks described above, Supplier shall monitor new business it enters into for the term of the Agreement for potential conflicts and shall notify the Company of any conflicts that it becomes aware of as a result prior to signing any new engagement letter.
2. Workout Administration Services: The Supplier shall provide workout administration services for Loans which successfully complete a conflicts check, as defined above, are Elevated and assigned to the Supplier by the Company, and other loans at the discretion of the Company (“**Assigned Loans**”). Specific services for each Assigned Loan shall include, but are not limited to the following:
    - a. Review all loan documents and correspondence with regard to the workout.
    - b. *Initial Assessment*: Using available information, prepare an initial assessment including:
      - i. Assess financial condition, including cash flows, asset levels, collateral values and credit documents.
      - ii. Assess the default status of the Assigned Loan and steps the Lender has taken (if any) to protect the Company’s interests.
      - iii. Complete an initial assessment of the information provided to determine if there are any gaps.
        1. If gaps are identified, compile a list of information necessary to fully develop workout plan.
        2. Work with Workout Advisor (“**Advisor**”)<sup>3</sup> and Company to determine if legal resources should be engaged.
        3. Coordinate with the Advisor and Company regarding a communication plan, governed by established communication protocols, to the Lender and/or, the Borrower to request additional information.
        4. Once the communication plan is approved, reach out to the Lender and/or Borrower (in collaboration with counsel) to obtain the necessary information.
        5. Additional information should be analyzed following the same process as for the initial submission as defined above.
    - c. *Workout Plan Assessment/Development*: After all necessary information is collected under step 2(b)(iii):
      - i. If the Lender presents a workout plan, assess workout plan, including specific reserve and charge-off recommendations, presented and address deficiencies with Advisor and Company in coordination with the Lender.
      - ii. If the Lender does not have a workout plan or the presented workout plan is deficient, develop a workout plan for the Borrower in coordination with Lender, including specific reserve and charge-off recommendations.
      - iii. Present the workout plan to the Company and Advisor to obtain approval.
    - d. Execute the workout plan agreed upon with the Lender and Company.

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<sup>3</sup> For purposes of this SOW, references herein to Workout Advisor shall mean the Supplier.

- e. Provide the Advisor and Company with periodic updates on workout plan for review and approval as defined below in Section 3, *Reporting Requirements*.
  - f. Work with the Advisor and Company counsel, with the approval of the Company, to source field examiners, receivers, appraiser or other vendors needed to conduct the workout.
  - g. Work with Advisor as needed to prepare reporting and to collect reporting required from the Lender and/or Borrower.
  - h. The Company shall approve the final resolution plan for each Assigned Loan.
  - i. A tiered approach to workout services will be taken, as defined in Workout Advisory and Related Services Statement of Work.
2. Third Party Vendors. Supplier will identify required third party vendors, define requirement and selection criteria, and source and procure the parties for support of the Workout Administrations Services (“Sourcing Plan”). The Company or the Bank, as Managing Member of the Company, shall review and approve any Sourcing Plan, including selection criteria. Such approval shall not be unreasonably withheld. Selection criteria shall include, at minimum, commercially reasonable pricing. All such third party vendors will be subcontractors to FTI and FTI, will manage and retain full responsibility for the performance of such vendors, including monitoring their performance and handling invoices and payment, in compliance with the terms of the Agreement, including but not limited to ensuring that all third party vendors will be located in the United States. Notwithstanding anything to the contrary in the Agreement, Third-party vendors shall be required to comply with the provisions defined in Attachment 1 to this Statement of Work.
- a. All such third-party vendors costs shall be charged to the Company as a pass-through, without mark-up. Supplier will provide invoices from the third-party vendors services being charged to the Bank.
  - b. Supplier understands the third-party legal counsel be will sourced, procured, contracted and managed by the Company. Supplier will advise as requested in such procurements. Supplier shall cooperate and collaborate with these third-party legal counsels as required for the Workout Administration Services.

3. Reporting Requirements:

The content of standard reports is dependent on Loan Tier<sup>4</sup>, as defined below. Nothing contained herein prohibits the Company from requesting, and the Supplier from providing, additional reports and updates.

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<sup>4</sup> Loan Tier is defined in the Statement of Work for Advisory and Related Services

<b>Tier</b>	<b>Portfolio Value</b>	<b>Reporting Requirement</b>
1a	Up to and including \$2,000,000	Quarterly update on workout plan progress
1b	Greater than \$2,000,000 to \$10,000,000	Quarterly update on workout plan progress
2	Greater than \$10,000,000 to \$25,000,000	Monthly update on workout plan progress
3	Greater than \$25,000,000	Monthly update on workout plan, process with the Company having the option to increase frequency to weekly for high profile cases.

Regardless of the tiering reporting requirements, the Supplier shall make the Advisor and the Company aware of any communication (written or verbal) that would indicate a Borrower plans to escalate any issues with third parties (including but not limited to a media outlet, members of the U.S. House of Representative, the U.S. Senate or employees or representatives of the U.S. Department of the Treasury).

Additionally, the Supplier shall provide to the Advisor and Company with information needed to develop quarterly reserve/charge-off recommendations.

**Service Term:**

This SOW shall be effective commencing on March 1, 2024 and shall end on February 28, 2026, unless earlier terminated pursuant to the Agreement. The parties may renew this SOW for like terms by mutual written agreement no later than February 28, 2026. The Company shall provide the Supplier with thirty (30) days prior written notice if this Statement of Work will not be renewed.

**Pricing and Fees:**

All fees for services under this SOW are fixed based on BPS per event as shown in the table below. Half of the total fee will be invoiced in the month following the loan becoming an Assigned Loan and the other half following final resolution and closeout, whether triggered by and not limited to the execution of a restructuring transaction, liquidation of the collateral or confirmation in a bankruptcy proceeding. All payments by the Company shall be made pursuant to the terms of the Agreement.

<b>Loan Tier</b>	<b>Pricing<sup>5</sup> - Basis Points Per Event</b>
Tier 1a (Up to and including \$2,000,000)	365.00
Tier 1b (Greater than \$2,000,000 to \$10,000,000)	230.00
Tier 2 (Greater than \$10,000,000 to \$25,000,000)	180.00
Tier 3 (Greater than \$25,000,000)	100.00

**Invoice Terms:** Fees shall be invoiced in two parts. The first half of the fee shall be invoiced in the month following the loan becoming an Assigned Loan. The second half of the fee shall be invoiced following final resolution and closeout of the Workout Loan, whether a result of, but not limited to, the execution of a restructuring transaction, liquidation of the borrower or collateral, a bankruptcy or insolvency proceeding.

In the event that a loan is sold during the workout administration services (Level 3), the second half of the payment will not be due for that loan. The Supplier shall invoice the Company for any disposition work conducted thereafter at the current standard rates, less 20%, plus materials at cost, and as defined in a mutually agreed separate statement of work.

All fees are to cover the full handling of the entire workout process from the inception of a loan becoming an Assigned Loan to some final resolution whether a completed restructuring, a bankruptcy, a liquidation, a going concern sale of the borrower, or a sale of the loan.

In the event of an Elevation during Level 2 services to Level 3, where the first payment for Level 2 services is made, applicable fees for Level 3 services will be invoiced. No second payment for Level 2 services will be due or payable.

In the event that a loan is successfully restructured and subsequently requires Level 2 or Level 3 services, all fees for such services will apply.

On Tier 3 loans, if a borrower defaults again within 6 months or less from the original restructuring, Supplier will review the specific loan with the Company and will determine if a full second fee should be due or if only half of a second fee should be due.

Each level of service must be completed prior to work commencing on a new level of service. For the avoidance of doubt, Level 1 and Level 2 Services are billable only under the Statement of Work for Advisory and Related Services. Level 3 Services are billable only under this Statement of Work for Workout Administration Services.

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<sup>5</sup> Basis Points multiplied by the Original MSLP Total Loan amount of credit undergoing Workout Administration service. All per-event Basis Points fees will be assessed on the Original MSLP Total Loan amount of credit undergoing Workout Administration (Level 3) service. For clarity, this is defined as the total amount of the loan as originated under the MSLP and not the participation amount or current balance.

**Monthly Reporting to Support Invoicing.** FTI will provide monthly reporting on the numbers of loans being managed, the start and end date (if applicable) of the services, the size of each such loan and applicable basis point fees in each Tier to the Company for review for the applicable month.

**Travel:** All travel expenses must be pre-approved by the Bank and incurred and reported in conformance with the Bank’s Non-Employee Travel Guidelines which will be provided to the Supplier on request.

**Referenced Documents**

- Communication Protocols

By signing in the signature blocks below, Bank, Company and Supplier agree to the terms of this SOW pursuant to the Agreement.

**AGREED:**

**FTI CONSULTING, INC.**

**AGREED:**

**MS FACILITIES LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Senior Managing Director

Title: EVP & Chief Administrative Officer

**AGREED:**

**FEDERAL RESERVE BANK OF BOSTON**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: First Vice President and COO