

ANNEX F

FORM OF EQUITY EQUIVALENT SECURITIES

THIS SECURITY WILL BE ISSUED AND MAY BE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF \$1,000 AND MULTIPLES OF \$1,000 IN EXCESS THEREOF. ANY ATTEMPTED TRANSFER OF SUCH SECURITIES IN A DENOMINATION OF LESS THAN \$1,000 AND MULTIPLES OF \$1,000 IN EXCESS THEREOF SHALL BE DEEMED TO BE VOID AND OF NO LEGAL EFFECT WHATSOEVER. ANY SUCH PURPORTED TRANSFEREE SHALL BE DEEMED NOT TO BE THE HOLDER OF SUCH SECURITIES FOR ANY PURPOSE, INCLUDING, BUT NOT LIMITED TO, THE RECEIPT OF PAYMENTS ON SUCH SECURITIES, AND SUCH PURPORTED TRANSFEREE SHALL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN SUCH SECURITIES.

THIS SECURITY IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE SECURITIES PURCHASE AGREEMENT BY AND BETWEEN THE COMPANY AND THE SECRETARY OF THE TREASURY (THE "AGREEMENT"), WHICH IS INCORPORATED INTO THIS SECURITY.

THIS SECURITY IS NOT A SAVINGS ACCOUNT OR DEPOSIT AND IT IS NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM OR ANY OTHER GOVERNMENTAL AGENCY.

THIS SECURITY IS SUBORDINATED AND JUNIOR IN RIGHT OF PAYMENT, AS TO PRINCIPAL, INTEREST AND PREMIUM, TO ALL CLAIMS AGAINST THE COMPANY HAVING THE SAME PRIORITY AS GENERAL AND SECURED CREDITORS OF THE COMPANY. THIS OBLIGATION IS NOT SECURED BY THE COMPANY'S ASSETS OR THE ASSETS OF ANY OF ITS AFFILIATES. THIS OBLIGATION IS NOT ELIGIBLE AS COLLATERAL FOR ANY LOAN BY THE COMPANY.

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR SUCH LAWS. EACH PURCHASER OF THIS SECURITY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER (THE "144A EXEMPTION"). IF ANY TRANSFEREE OF THIS SECURITY IS ADVISED BY THE TRANSFEROR THAT SUCH TRANSFEROR IS RELYING ON THE 144A EXEMPTION, SUCH TRANSFEREE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (2) AGREES THAT IT WILL NOT OFFER, SELL OR OTHERWISE TRANSFER THE SECURITIES REPRESENTED BY THIS INSTRUMENT EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT

WHICH IS THEN EFFECTIVE UNDER THE SECURITIES ACT, (B) FOR SO LONG AS THE SECURITIES REPRESENTED BY THIS INSTRUMENT ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) TO THE COMPANY OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS INSTRUMENT IS ISSUED SUBJECT TO THE RESTRICTIONS ON TRANSFER AND OTHER PROVISIONS OF THE AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE COMPANY. THIS SECURITY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH SAID AGREEMENT. ANY SALE OR OTHER TRANSFER NOT IN COMPLIANCE WITH SAID AGREEMENT WILL BE VOID.

[NAME OF COMPANY]

ISSUANCE DATE: _____

\$_____

EQUITY EQUIVALENT SECURITY DUE 2019

[Company], a [State] [_____] (the “*Company*,” which term includes any permitted successor thereto), for value received, hereby promises to pay to the order of the Secretary of the Treasury or registered assigns, by wire transfer, the principal sum of \$_____ (_____ Dollars) on _____, 2019 (the “*Maturity Date*”) (or any earlier redemption date or date of acceleration of the Maturity Date) and to pay, in accordance herewith, interest on the outstanding principal amount of this Equity Equivalent Security Due 2019 (this “EQ2 Security”); provided, however, that the Company may elect to extend the Maturity Date to _____, 2021 by delivering written notice of such election to Treasury at least [___] days prior to the Maturity Date set forth above.

This EQ2 Security is one of the EQ2 Securities referred to in the Securities Purchase Agreement, dated as of _____ (as amended, modified or restated from time to time, the “*Agreement*”), by and among the Company and the Secretary of the Treasury, as the initial Investor (the “*Treasury*”). The EQ2 Security is entitled to the benefits of the Agreement and is subject to all of the agreements, terms and conditions contained therein, all of which are incorporated herein by this reference. This EQ2 Security may be redeemed, in whole or in part, in accordance with the terms and conditions set forth in the Agreement.

Capitalized terms used in this EQ2 Security are defined in the Agreement, unless otherwise expressly stated herein.

**ARTICLE I
DEFINITIONS**

- 1.1 “Applicable Interest Rate” has the meaning set forth in Section 2.1 herein.
- 1.2 “Initial Interest Period” has the meaning set forth in the definition of “Interest Period”.
- 1.3 “Interest Payment Date” means January 1, April 1, July 1, and October 1 of each year.
- 1.4 “Interest Period” means the period from and including any Interest Payment Date to, but excluding, the next Interest Payment Date; *provided, however*, the Initial Interest Period shall be the period from and including the Original Issue Date to, but excluding, the next Interest Payment Date (the “Initial Interest Period”).
- 1.5 “Original Issue Date” means the date on which EQ2 Securities are first issued.

ARTICLE II INTEREST

2.1 The “Applicable Interest Rate” shall be an annual rate and shall be determined as follows:

- (a) With respect to (A) the Initial Interest Period, (B) each of the second (2nd) through the thirty-second (32nd) Interest Periods, inclusive, and (C) that portion of the thirty-third (33rd) Interest Period prior to, but not including, the eight (8) year anniversary of the Original Issue Date, the Applicable Interest Rate shall be two percent (2%).
- (b) With respect to (A) that portion of the thirty-third (33rd) Interest Period beginning on the eight (8) year anniversary of the Original Issue Date and (B) all Interest Periods thereafter, the Applicable Interest Rate shall be nine percent (9%).

2.2 Payment. Interest shall be payable on the outstanding principal amount of this EQ2 Security until the principal hereof shall have been paid or duly provided for, compounded quarterly, and on any overdue principal and on any overdue installment of interest (without duplication and to the extent payment of such interest is enforceable under applicable law), all at a rate per annum equal to the Applicable Interest Rate in effect with respect to each Interest Period, as follows:

(a) for each Interest Period other than the Initial Interest Period, quarterly in arrears on each Interest Payment Date; and

(b) for the Initial Interest Period, on the first such Interest Payment Date to occur at least twenty (20) calendar days after the Original Issue Date, based on the actual number of days elapsed from the Original Issue Date to the last day of the Initial Interest Period (inclusive).

In the event that any Interest Payment Date would otherwise fall on a day that is not a Business Day, the Interest payment due on that date will be postponed to the next day that is a Business Day and no additional Interest will accrue as a result of that postponement. For avoidance of doubt, “payable quarterly in arrears” means that, with respect to any particular Interest Period, Interest begins accruing on the first day of such Interest Period and are payable on the first day of the next Interest Period.

The amount of Interest payable on this EQ2 Security shall be computed on the basis of a 360-day year consisting of four 90-day quarters.

2.3 Method of Payment. The principal of this EQ2 Security shall be payable upon surrender hereof and interest on this EQ2 Security shall be payable at the office or agency of the Company or an agent appointed for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; *provided, however*, that payment of interest shall be made by the Company to the Holders of this

EQ2 Security entitled thereto as shown on the EQ2 Securities Register by wire transfer of immediately available funds to any account with a banking institution located in the United States designated by such Holder no later than the related regular record date.

ARTICLE III OTHER PROVISIONS

3.1 Ranking; Subordination. The indebtedness evidenced by this EQ2 Security is subordinated and subject in right of payment to the prior payment in full of all claims of all amounts then due and payable in respect of Senior Indebtedness, whether outstanding at the date of this Agreement or thereafter incurred, and ranks *pari passu* with other Equity Equivalents, except for Junior Equity Equivalents, to which it is senior. Each Holder of this EQ2 Security, by accepting the same, agrees to and shall be bound by such provisions of the Agreement. Each Holder hereof, by his or her acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Agreement by each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such Holder upon said provisions.

3.2 Defaults and Remedies. If an Event of Default as provided for in Section 4.1 of Annex C of the Agreement occurs, then the principal of, interest accrued on, and other obligations payable under this EQ2 Security and the Transaction Documents, will immediately become due and payable. Notwithstanding anything to the contrary herein or in the Agreement, other than Annex C, Section 4.2 of the Agreement, there is no right of acceleration for any default, including a default in the payment of principal or interest or the performance of any other covenant or obligation by the Company under this EQ2 Security or the Agreement. Whenever interest payable on this EQ2 Security has not been paid for one or more Interest Periods, the Company shall be subject to certain obligations and restrictions (including, without limitation, restrictions on repurchases of, and payment of interest or dividends on, its securities), and the Holder of this EQ2 Security shall have certain rights (including, without limitation, the right to elect directors under certain circumstances), all as set forth in the Agreement.

3.3 Amendment and Waiver. Except as set forth in Section 3.1(d)(vi) of Annex C of the Agreement, no amendment, modification, termination or waiver of any provision of the Agreement, the EQ2 Securities or any of the other Transaction Documents, or consent to any departure by the Company therefrom, shall be effective unless made in writing and signed by an officer or a duly authorized representative of the Company and in the case of the EQ2 Securities, the Majority Holders; *provided that* for so long as the EQ2 Securities are outstanding, Treasury may at any time and from time to time unilaterally amend Section 3.1(e) of the Agreement to the extent Treasury deems necessary, in its sole discretion, to comply with, or conform to, any changes after the Signing Date in any federal statutes, any rules and regulations promulgated thereunder and any other publications or interpretative releases of the Fund governing CDFIs, including, without limitation, any changes in the criteria for certification as a CDFI by the Fund; *provided, further,* that, notwithstanding anything else in Section 7.3 of the Agreement, no amendment, modification, termination or waiver with respect to the EQ2 Securities shall, unless in writing and signed by all Holders, do any of the following: (A) change the principal of or the rate of interest on any EQ2 Security; (B) extend any date fixed for any payment of principal or

interest; (C) change the definition of the terms “Holders” or “Majority Holders” or the percentage of Holders which shall be required for Holders to take any action hereunder; or (D) amend or waive Section 7.3 of the Agreement or the definitions of the terms used in Section 7.3 of the Agreement insofar as the definitions affect the substance of Section 7.3 of the Agreement; (E) consent to the assignment, delegation or other transfer by the Company of any of its rights and obligations under any Transaction Documents.

Any such consent or waiver by the Holder of this EQ2 Security shall be conclusive and binding upon such Holder and upon all future Holders of this EQ2 Security and of any EQ2 Security issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this EQ2 Security.

No reference herein to the Agreement and no provision of this EQ2 Security or of the Agreement shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this EQ2 Security at the time and place and at the rate and in the money herein prescribed.

3.4 Denominations; Transfer; Exchange. The EQ2 Securities are issuable only in registered form without coupons in minimum denominations of \$1,000.00 and integral multiples of \$1,000.00 in excess thereof. As provided in the Agreement, this EQ2 Security is transferable by the Holder hereof on the EQ2 Securities Register maintained by the Company or its agent, upon surrender of this EQ2 Security for registration of transfer at the office or agency of the Company or its agent, accompanied by a written instrument or instruments of transfer in form satisfactory to the Company duly executed by the Holder hereof or his or her attorney duly authorized in writing, and thereupon one or more new EQ2 Securities of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be made for any such registration of transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this EQ2 Security, the Company and any agent thereof may deem and treat the Holder hereof as the absolute owner hereof (whether or not this EQ2 Security shall be overdue and notwithstanding any notice of ownership or writing hereon made) for the purpose of receiving payment of or on account of the principal hereof and (subject to the Agreement) interest due hereon and for all other purposes, and none of the Company or any agent thereof shall be affected by any notice to the contrary.

3.5 No Recourse Against Others. No recourse shall be had for the payment of the principal of or interest on this EQ2 Security, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Agreement or any other Transaction Document, against any incorporator, shareholder, employee, officer or director, as such, past, present or future, as such, of the Company or of any successor thereto, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

3.6 Governing Law. THE AGREEMENT AND THIS EQ2 SECURITY SHALL EACH BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE FEDERAL LAWS OF THE UNITED STATES, IF AND TO THE EXTENT SUCH LAW IS APPLICABLE AND OTHERWISE IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE.

3.7 Abbreviations. The following abbreviations, when used in this EQ2 Security, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN CON – as tenants in common

TEN ENT – as tenants in the entirety

JT TEN – as joint tenants with right of survival

UNIF GIFT MIN ACT – under Uniform Gift to Minors Act and not as tenants

Additional abbreviations may also be used though not in the above list.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed this _____ day of _____, _____.

[NAME OF COMPANY]

By: _____
Name:
Title:

Attest:

By: _____
Name:
Title:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby assigns and transfers this EQ2 Security to:

(Assignee's social security or tax identification number)

(Address and zip code of assignee)

and irrevocably appoints _____ agent to transfer this EQ2 Security on the books of the Company. The agent may substitute another to act for him or her.

Date: _____

Signature: _____

(Sign exactly as your name appears on the other side of this EQ2 Security)

Signature Guarantee: _____

[Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Registrar, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.]