**Indicative Summary of Terms for**
**Secured Term Loan Facility**

**December 19, 2008**

*Based upon the preliminary information provided to the United States Department of the Treasury (the "**UST**") regarding the proposed Facility, the following Summary of Terms outlines (for discussion purposes only) the key terms and conditions of a potential transaction. This Summary of Terms is not intended to be a comprehensive list of all relevant terms and conditions of the transactions contemplated herein. Further, these terms are subject to completion of due diligence, legal and other internal review and receipt of related approvals satisfactory to UST and any other approval procedures customary for a transaction of this nature. Final terms will be included in definitive documentation based on this Summary of Terms and executed by the applicable parties. This Summary of Terms is intended for the sole benefit of the Company identified on Appendix A and certain of its affiliates and shall not be relied upon by any other person.*

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| **Facility:** | A term loan that is full recourse to Borrower(s) (except as provided on Appendix A), secured by a first or junior lien, as applicable, on all of Borrower(s)' assets, and is subject to the terms and conditions contained herein and in the definitive Facility documentation. |
| **Borrower(s):** | As set forth on Appendix A. |
| **Lender:** | UST, on a committed basis. |
| **Guarantor(s):** | As set forth on Appendix A. The Borrower(s) and the Guarantor(s) shall hereinafter each be referred to as a "**Loan Party,**" and collectively, as "**Loan Parties.**" |
| **Closing Date:** | As set forth on Appendix A. |
| **Loan:** | Lender will make available to Borrower(s) a loan in an aggregate amount up to the amount set forth on Appendix A (the "**Loan Amount**") in predetermined draw amounts, as further specified on Appendix A. |
| **Availability:** | On the dates specified in Appendix A, Borrower(s) may request Lender to fund a draw up to an amount set forth on Appendix A for such date (each such funding, an "**Advance**"). At the time of each funding of an Advance by the Lender (each, an "**Advance Date**"), Borrower(s) shall be in compliance with all of the covenants, representations and warranties of this Facility.<br><br>Unless otherwise agreed by the UST, Borrower(s) must provide the UST with its request at least two (2) business days' prior to the date on which an Advance will be funded by Lender. For the avoidance of doubt, notice received by the UST after 5:00 pm Washington, DC time on any business day shall be deemed to be received on the following business day. |
| **Use of Funds:** | The Borrower(s) shall utilize the proceeds from the Advances as set forth on Appendix A. |

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| **Currencies:** | All Advances, prepayments and payments of fees and indemnities and any other payments under the Facility shall be made in United States Dollars. |
| **Collateral:** | As set forth on Appendix A. As security for Borrower(s)' performance of all of their obligations under the Facility and Guarantor(s)' performance of their obligations under the Guaranties, the applicable Loan Parties will grant to Lender a security interest in and to the Collateral (with the applicable lien priority specified with respect thereto on Appendix A). |
| **Maturity Date:** | The Facility will terminate and the aggregate outstanding Advances, together with interest thereon at the applicable Interest Rate and all fees, expenses, indemnities and other amounts owing to Lender, will be due and fully payable on the earliest of (i) the Expiration Date (as set forth on Appendix A), (ii) the occurrence of a Termination Event, or (iii) the occurrence of an Event of Default, at the option of the Lender. |
| **Interest Rate:** | Each Advance shall accrue interest at a rate per annum equal to (i) the sum of (x) the greater of (A) three-month LIBOR and (B) the LIBOR Floor, plus (y) the Spread Amount, multiplied by (ii) the outstanding principal balance of such Advance. The Interest Rate shall be determined on the Closing Date and reset on each Interest Payment Date and shall be calculated on a 360-day year basis for the actual number of days elapsed (including the first day but excluding the last day) occurring in the related Interest Period. Interest on the Advances shall be payable in arrears on each Interest Payment Date in respect of the previous Interest Period, and together with all outstanding principal and other amounts owing, on the Maturity Date. |
| **Interest Period:** | For each Advance, (i) initially, the period commencing on the related Advance Date and ending on the calendar day prior to the next succeeding Interest Payment Date, and (ii) thereafter, each period commencing on an Interest Payment Date and ending on the calendar day prior to next succeeding Interest Payment Date. Notwithstanding the foregoing, no Interest Period may end after the Maturity Date. |
| **Interest Payment Date**: | Set forth on Appendix A. |
| **LIBOR Floor:** | Set forth on Appendix A. |
| **Spread Amount:** | Set forth on Appendix A. |
| **Mandatory Prepayments:** | Subject to any mandatory prepayments from the following amounts required under existing secured credit agreements, Borrower(s) shall apply 100% of the net cash proceeds of any of the following transactions to prepay, on a pro rata basis, the aggregate outstanding Advances: (i) sales, liquidations or other transfers of any Collateral other than sales in the ordinary course of business, (ii) the incurrence by any Borrower of any debt (other than permitted indebtedness including the refinancing of prior indebtedness) or any equity or other capital raises (other than contributions of indemnity payments received by the Company and required to be applied to satisfy obligations of its subsidiaries), either public |

or private, whether in connection with a primary securities offering, a business combination of any kind, or otherwise, (iii) to the extent unencumbered, non-ordinary course asset sales (including aircraft divestments); provided that,with respect to clause (ii), in no event will any of the Collateral or Lender's security interest therein be released to the applicable Loan Party until the aggregate outstanding Advances, together with interest thereon at the applicable Interest Rate and all fees, expenses, indemnities and other amounts owing to Lender shall have been paid in full. Notwithstanding anything to the contrary contained herein, any amounts advanced and repaid cannot be reborrowed.

**Optional Prepayments:**

Upon written notice to the Lender at least two business days in advance, Borrower(s) may prepay all or a portion of the outstanding Advances, without penalty; provided that in no event will any of the Collateral be released to the applicable Loan Party until the aggregate outstanding Advances, together with interest thereon at the applicable Interest Rate and all fees, expenses, indemnities and other amounts owing to Lender shall have been paid in full. Notwithstanding anything to the contrary contained herein, any amounts advanced and repaid cannot be reborrowed.

**Executive Privileges and Compensation:**

Until such time as the Facility is repaid in full and the UST ceases to own any equity securities of the Company acquired pursuant to this Facility (including any Warrants and underlying Equity Interests acquired by the UST upon exercise thereof) (the "**Relevant Period**"), the following restrictions on executive privileges and compensation shall apply to the "**Relevant Companies**," as defined on Annex A:

1. The Relevant Companies shall be subject to the executive compensation and corporate governance requirements of Section 111(b) of the EESA and the UST's guidelines that carry out the provisions of such subsection for systemically significant failing institutions as set forth in Notice 2008-PSSFI;
2. The Relevant Companies and their respective SEOs (as defined below) shall modify or terminate all benefit plans, arrangements and agreements (including golden parachute agreements) to the extent necessary to be in compliance with Section 111(b) of the EESA and the guidelines set forth in Notice 2008-PSSFI;
3. The Relevant Companies shall comply in all respects with the limits on annual executive compensation deductibles imposed by Section 162(m)(5) of Internal Revenue Code of 1986, as amended, as applicable;
4. None of the Relevant Companies shall pay or accrue any bonus or incentive compensation to the 25 most highly compensated employees (including the SEOs) (collectively, the "**Senior Employees**") except as approved by the President's Designee;
5. None of the Relevant Companies shall adopt or maintain any compensation plan that would encourage manipulation of their reported earnings to enhance the compensation of any of its employees; and
6. The Relevant Companies shall maintain all suspensions and other restrictions of contributions to Benefit Plans that are in place or initiated as of the Closing Date.

At any time during the Relevant Period, the Lender shall have the right to require any Relevant Company to claw back any bonuses or other compensation, including golden parachutes, paid to any Senior Employees in violation of any of the foregoing.

Within 120 days of the Closing Date, the principal executive officer (or person acting in a similar capacity) of each Relevant Company shall certify in writing, under penalty of perjury, to the Lender's Chief Compliance Officer that such Relevant Company's compensation committee has reviewed the compensation arrangements of the SEOs with its senior risk officers and determined that the compensation arrangements do not encourage the SEOs to take unnecessary and excessive risks that threaten the value of such Relevant Company. Each Relevant Company shall preserve appropriate documentation and records to substantiate such certification in an easily accessible place for a period not less than three (3) years following the Maturity Date.

"**President's Designee**" means one or more officers from the Executive Branch designated by the President. "**SEOs**" means the Loan Parties' "senior executive officers" as defined in subsection 111(b)(3) of the EESA and regulations issued thereunder, including the rules set forth in 31 C.F.R. Part 30, or as otherwise may be defined by the UST. "**Benefit Plan**" means, collectively, any compensation, bonus, incentive and other benefit plans (including supplemental executive retirement plans), arrangements and agreements (including golden parachute, severance and employment agreements).

**Asset Divestment:** With respect to any private passenger aircraft or interest in such aircraft that is owned or held by any Loan Party or any subsidiary immediately prior to the Closing Date, such party shall demonstrate to the satisfaction of the President's Designee that it is taking all reasonable steps to divest itself of such aircraft or interest. Further, no Loan Party shall acquire or lease any such aircraft or interest in such aircraft.

**Material Transactions:** The Loan Parties shall provide prompt notice to the President's Designee of any asset sale, investment, contract, commitment, or other transaction not in the ordinary course of business proposed to be entered into with a value in excess of $100 million (a "**Material Transaction**"). The President's Designee shall have the right to review and prohibit any such Material Transaction if the President's Designee determines that it would be inconsistent with or detrimental to the long-term viability of such Loan Party.

**Restrictions on Expenses:** During the Relevant Period, the Company shall maintain and implement its comprehensive written policy on corporate expenses ("**Expense Policy**") and distribute the Expense Policy to all employees of the Company and its subsidiaries covered under the policy. Any material amendments to the Expense Policy shall require the prior written consent of the President's Designee, and any material deviations from the Expense Policy, whether in contravention thereof or pursuant to waivers provided for thereunder, shall promptly be reported to the the President's Designee.

The Expense Policy shall, at a minimum: (i) require compliance with all applicable law, (ii) apply to the Company and all of its subsidiaries, (iii) govern (a) the hosting, sponsorship or other payment for conferences and events, (b) travel accommodations and expenditures, (c) consulting arrangements with outside service providers, (d) any new lease or acquisition of real estate, (e) expenses relating to office or facility renovations or relocations, and (f) expenses relating to entertainment or holiday parties; and (iv) provide for (a) internal reporting and oversight, and (b) mechanisms for addressing non-compliance with the policy.

**Restructuring Plan:** By no later than February 17, 2009, the Company shall submit to the President's Designee a plan to achieve and sustain the long-term viability, international competitiveness and energy efficiency of the Company and its subsidiaries (the "**Restructuring Plan**"), which Restructuring Plan shall include specific actions intended to result in the following:

1. Repayment of the Loan Amount and any other financing extended by the Government under all applicable terms and conditions;
2. Ability of the Company and its subsidiaries to (x) comply with applicable Federal fuel efficiency and emissions requirements, and (y) commence domestic manufacturing of advanced technology vehicles, as described in section 136 of the Energy Independence and Security Act of 2007 (Public Law 110-140; 42 U.S.C. 17013);
3. Achievement by the Company and its subsidiaries of a positive net present value, using reasonable assumptions and taking into account all existing and projected future costs, including repayment of the Loan Amount and any other financing extended by the Government;
4. Rationalization of costs, capitalization, and capacity with respect to the manufacturing workforce, suppliers and dealerships of the Company and its subsidiaries; and
5. A product mix and cost structure that is competitive in the United States marketplace.

The Restructuring Plan shall extend through 2010 monthly and annually through 2014 and shall include detailed historical and projected financial statements with supporting schedules and additional information as may be requested by the President's Designee.

**Restructuring Targets:** In addition to the Restructuring Plan, the Company and its subsidiaries shall use their best efforts to achieve the following targets:

1. Reduction of their outstanding unsecured public indebtedness (other than with respect to pension and employee benefits obligations) by not less than two-thirds through conversion of existing public debt into equity or debt (a "**Bond Exchange**") and other appropriate means;
2. Reduction of the total amount of compensation, including wages and benefits, paid to their U.S. employees so that, by no later than December 31, 2009, the average of such total amount, per hour and per person, is an amount that is equal to the average total amount of such compensation, as certified by the Secretary of Labor, paid per hour and per person to employees of with Nissan Motor Company, Toyota Motor Corporation, or

American Honda Motor Company whose site of employment is in the United States (the "**Compensation Reductions**");

3. Elimination of the payment of any compensation or benefits to U.S. employees of the Company or any subsidiary who have been fired, laid-off, furloughed, or idled, other than customary severance pay (the "**Severance Rationalization**").
4. Application of the work rules to their U.S. employees, beginning not later than December 31, 2009, in a manner that is competitive with Nissan Motor Company, Toyota Motor Corporation, or American Honda Motor Company whose site of employment is in the United States (the "**Work Rule Modifications**" and, together with the Compensation Reductions and Severance Rationalization, the "**Labor Modifications**"); and
5. Provision that not less than one-half of the value of each future payment or contribution made by them to the account of the voluntary employees beneficiary association (or similar account) ("**VEBA**") of a labor organization representing the employees of the Company and its subsidiaries shall be made in the form of the stock of the Company or one of its subsidiaries (the "**VEBA Modifications**"), and the total value of any such payment or contribution shall not exceed the amount of any such payment or contribution that was required for such time period under the collective bargaining agreement that applied as of the day before the Closing Date.

**Term Sheet Requirements:**

By no later than February 17, 2009, the Company shall submit to the President's Designee:

1. A term sheet signed on behalf of the Company and the leadership of each major U.S. labor organization that represents the employees of the Company and its subsidiaries (collectively, the "**Unions**") providing for the Labor Modifications; and
2. A term sheet signed on behalf of the Company and representatives of the VEBA providing for the VEBA Modifications; and
3. A term sheet signed on behalf of the Company and representatives of holders of the Company's public debt providing for the Bond Exchange.

**Restructuring Plan Report:**

On or before March 31, 2009, the Company shall submit to the President's Designee a written certification and report detailing the progress made by the Company and its subsidiaries in implementing the Restructuring Plan. The report shall identify any deviations from the Restructuring Targets and explain the rationale for these deviations, including an explanation of why such deviations do not jeopardize the Borrower's long-term viability. The report shall also include evidence satisfactory to the President's Designee that the following events have occurred:

1. Approval of the Labor Modifications by the members of the Unions;
2. Receipt of all necessary approvals of the VEBA Modifications other than regulatory and judicial approvals, provided that the Company must have filed and be diligently prosecuting applications for any necessary regulatory and judicial approvals; and
3. The commencement of an exchange offer to implement the Bond Exchange.

**President's Designee**

**Review/Certification:** The President's Designee will review the Restructuring Plan Report and other materials submitted by the Company to determine whether the Company and its subsidiaries have taken all steps necessary to achieve and sustain the long-term viability, international competitiveness and energy efficiency of the Company and its subsidiaries in accordance with its Restructuring Plan. If the President's Designee determines that these standards have been met, he will so certify (the "**Plan Completion Certification**").

**Termination Event:** If the President's Designee has not issued the Plan Completion Certification by March 31, 2009 or such later date (not to exceed 30 days after March 31, 2009) as the President's Designee may specify (the "**Certification Deadline**"), the maturity of the Loan shall be automatically accelerated and any portion of the Loan Amount not invested in or loaned to the Borrower's principal financial subsidiaries shall become due and payable on the 30th day after the Certification Deadline, without any further action on the part of the Lender.

**Reporting Requirements:** In addition to the foregoing, the Loan Parties shall deliver to Lender the following periodic reports and certifications:

1. Weekly status report, commencing with the week of December 15, 2008, detailing the 13-week rolling cash forecast for the Company and its subsidiaries (on a consolidated and consolidating basis);
2. Bi-weekly liquidity status report, commencing with the second week following the Closing Date, detailing, with respect to the Company and its subsidiaries (on a consolidated and consolidating basis): (i) the current liquidity profile; (ii) expected liquidity needs; (iii) any material changes in their business since the date of the last status report; (iv) any transfer, sale, pledge or other disposition of any material asset since the date of the last status report; and (v) any changes to their capital structure.
3. Monthly certification that (i) the Expense Policy conforms to the requirements set forth herein; (ii) the Company and its subsidiaries are in compliance with the Expense Policy; and (iii) there have been no material amendments thereto or deviations therefrom other than those that have been disclosed to and approved by Lender.
4. Monthly certification that all Benefit Plans with respect to Senior Executive Officers are in compliance with Section 111(b) of the EESA; and
5. Certified copies of all publicly filed financial reports and auditors opinions.

**Access to Information And Right to Audit:** At all times while the Facility is in effect, the Borrower(s) and each of their direct and indirect subsidiaries shall permit the Lender and its agents, consultants, contractors and advisors, and the Special Inspector General of the Troubled Assets Relief Program, access to personnel and any books, papers, records or other data that may be relevant to the financial assistance, including compliance with the financing terms and conditions.

**Representations**

**And Warranties:** As of each day the Facility is in place, the Loan Parties shall be deemed to make customary corporate and asset-level representations and warranties to Lender.

In addition, with respect to Warrants currently issued to the UST and to be issued to the UST under the Facility as provided below, the Borrower(s) will represent and warrant to the UST that, as of the date of this Indicative Summary of Terms and each date any Warrants are delivered, (i) the Warrants have been duly authorized and constitute a valid and legally binding obligation of the Company enforceable against it in accordance with its terms; (ii) the shares of common stock issuable upon exercise of the Warrants (the "**Warrant Shares**") have been duly authorized and reserved for issuance upon exercise of the Warrants, and when so issued in accordance with the terms of the Warrants will be validly issued, fully paid, and non-assessable; (iii) Loan Parties have the corporate power to enter into this Facility, to execute and deliver the related Facility documentation and the Warrants and to carry out its obligations hereunder and thereunder (which includes the issuance of the Warrants and Warrant Shares); (iv) the execution, delivery, and performance by Loan Parties of the Facility documents and the Warrants, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on their respective parts, and no further approval or authorization is required on their respective parts; (v) each Facility document, when executed and delivered by the applicable Loan Parties and Lender, is a valid, binding and enforceable obligation of each such Loan Party.

**Conditions Precedent to Closing:** Closing of the Facility and the funding of the first Advance will be subject to, the satisfaction of customary conditions precedent, including but not limited to:

1. Execution of mutually satisfactory Facility documentation and completion of all conditions to funding contained therein;
2. Receipt of customary legal opinions from in-house, domestic and local foreign counsel to the Loan Parties acceptable to Lender including, but not limited to, security interest perfection, PTO filings and analogous foreign law opinions, general corporate matters and enforceability, and an Investment Company Act opinion;
3. Receipt of officer's certificates and standard closing documents and certificates with respect to each Loan Party, each in a form acceptable to Lender;
4. The Lender's interests in the Collateral shall be perfected in accordance with applicable law (except to the extent the interests will be perfected on a post-closing basis, as may be agreed to by the Lender) and all necessary waivers, amendments, approvals and consents to the pledge of such Collateral shall have been obtained;
5. With respect to Collateral on which Lender will have a first priority lien, evidence that all then-existing liens thereon have been released or will be released simultaneously with the funding of the first Advance;
6. With respect to Collateral on which Lender will have a lien of junior priority, an intercreditor agreement duly executed by the other lienholders, in form and substance acceptable to Lender in its sole discretion;

7. With respect to any equity investments that constitute Collateral, receipt of approvals duly executed by the Loan Parties' applicable creditors consenting to the pledge of such equity investments, to the extent required;
8. With respect to any real property that constitutes Collateral, receipt of an environmental indemnity from the applicable Loan Party;
9. Receipt of approvals duly executed by the Guarantor(s)' applicable creditors consenting to the guaranty, to the extent required;
10. A waiver shall have been duly executed by the Loan Parties and each SEO and delivered to the UST releasing the UST from any claims that the Loan Parties and/or the SEOs may otherwise have as a result of any modification of the terms of any benefit plans, arrangements and agreements to eliminate any provisions that would not be in compliance with the executive compensation and corporate governance requirements of Section 111 of the EESA and the guidelines set forth in Notice 2008-PSSFI;
11. A waiver shall have been duly executed by each SEO and delivered to the Loan Parties (with a copy to the UST) releasing the Loan Parties from any claims the SEOs may otherwise have as a result of any modification of the terms of any benefit plans, arrangements and agreements to eliminate any provisions that would not be in compliance with the executive compensation and corporate governance requirements of Section 111 of the EESA and the guidelines set forth in Notice 2008-PSSFI;
12. A waiver shall have been duly executed by the Loan Parties and each Senior Employee and delivered to the UST releasing the UST from any claims that the Loan Parties and such Senior Employees may otherwise have as a result of the Loan Parties' failure to pay or accrue any bonus or incentive compensation as a result of the foregoing;
13. A waiver shall have been duly executed by each Senior Employee and delivered to the Loan Parties (with a copy to the UST) releasing the Loan Parties any claims that the SEOs may otherwise have as a result of the Loan Parties' failure to pay or accrue any bonus or incentive compensation as a result of the foregoing;
14. No material pending or threatened litigation not otherwise disclosed to and approved by Lender;
15. Payment of all fees and expenses due at the Closing Date;
16. Satisfaction of the additional conditions precedent set forth on Appendix A; and
17. Delivery or performance (to the satisfaction of the Lender) of all other conditions to closing and due diligence items that may be requested by the Lender.

**Conditions Precedent to each Advance:** The obligation of Lender to make each Advance (including the initial Advance) will be subject to the satisfaction of the following conditions precedent:

1. No unmatured Event of Default or Event of Default shall have occurred and be continuing; and
2. Other customary conditions precedent.

**Covenants**

Unless waived by Lender, the Loan Parties shall be subject to customary covenants for this type of transaction (with certain exceptions to be mutually agreed), including, but not limited to the following negative covenants: (i) prohibition on redemption or buyback of any capital stock of the Company (other than pursuant to contracts existing as of December 2, 2008), (ii) restriction on transfer of assets, (iii) restriction on issuance of stock that would dilute the Warrants, (iv) negative pledge, (v) no fundamental change, (vi) limitation on transactions with affiliates, (vii) prohibitions on any dividends and distributions (or the economic equivalent) other than what is owed to unaffiliated entities pursuant to contract or law as of December 2, 2008, (viii) prompt notice of material adverse change with respect to any Loan Party, (ix) prohibition on creation of any new U.S. pension obligations until all U.S. pension plans maintained by the Company or any of its subsidiaries have been fully funded, and (x) such other covenants as may be deemed appropriate by Lender.

**Financial Covenants:** At all times, the Company must satisfy each of the financial covenants set forth on Appendix A.

**Events of Default:** Will include, but not be limited to each of the following events (as the same relates to each Loan Party):

1. Breach of representations, warranties or covenants or other terms and conditions of the Facility;
2. Default on any payment obligation under the Facility;
3. Bankruptcy/insolvency of any Borrower;
4. Going concern qualification with respect to any Borrower or any Guarantor in any correspondence from its accountants;
5. Change in control of any Borrower or any Guarantor;
6. Any Borrower's or any Guarantor's default under any other debt or prepayment obligations the outstanding principal balance of which equals or exceeds $10 million;
7. Lender ceases to have a perfected first or junior (as applicable) security interest or ownership interest in any material portion of the Collateral;
8. Cross default to any other facility or arrangement between any Borrower or any Guarantor or any of their affiliates and Lender.

Upon the occurrence of any of the foregoing, Lender shall have the option to declare that an Event of Default has occurred, at which time the Facility will terminate and all amounts owing with respect to the Facility will be immediately due and payable without presentment, demand, protest or notice of any kind, all of which shall be waived by the Loan Parties; provided, however, it is understood and agreed that a bankruptcy or insolvency of any Loan Party shall be immediately deemed an automatic Event of Default without the need for Lender to declare it as such. Lender shall be entitled to any and all remedies pursuant to the Facility documents and applicable law, each of which shall be cumulative and in addition to every other remedy available to the Lender.

**DIP Loan Conversion:** Upon the filing of a voluntary or involuntary bankruptcy petition by or in respect of any Loan Party, Lender shall have the exclusive right, exercisable at its option,

to convert this Facility into a debtor-in-possession facility in form and substance acceptable to Lender.

**Joint and Several Liability:** In the event of multiple Borrowers or Guarantors, such parties will be jointly and severally liable to Lender for all representations, warranties, covenants, obligations and liabilities of each of the Borrowers or Guarantors, as applicable, under the Facility. An unmatured Event of Default or an Event of Default of one party will be considered an unmatured Event of Default or an Event of Default by each party, and Lender shall have no obligation to proceed against one party before proceeding against the other party. Such parties shall waive any defense to their obligations under the Facility based upon or arising out of the disability or other defense or cessation of liability of one party versus the other. A party's subrogation claim arising from payments to Lender shall constitute a capital investment in another party subordinated to any claims of Lender, and equal to a ratable share of the equity interests in such party.

**Summary of Warrant Terms**

**Warrant:** Under the terms of the commitment, the UST will receive warrants to purchase common shares of the Company.

**Exercise Price Per Share:** The 15 day trailing average price determined as of December 2, 2008. The exercise price per share shall be subject to anti-dilution adjustments.

**Amount:** The total number of warrants will be equal to 20% of the Maximum Loan amount divided by the Exercise Price per Share, provided that the number of Warrants will be capped at 20% of the issued and outstanding common equity interests of the company, before giving effect to the exercise of the Warrants ("The Warrant Limit").

**Additional Notes:** In the event that the Warrant Limit reduces the number of Warrants issuable to the UST, the UST will receive Additional Notes in an amount equal to 6.67% of the Maximum Loan Amount less a sum equal to one-third of the number of Warrants actually granted to the UST times the Exercise Price Per Share.

**Term:** Perpetual

**Exercisability:** Immediately exercisable, in whole or in part, at 100% of its issue price plus all accrued and unpaid dividends.

**Transferability:** The Warrants will not be subject to any contractual restrictions on transfer. The Company will file a shelf registration statement covering the Warrants and the Equity Interests underlying the Warrants as promptly as practicable after the date of the investment and, if necessary, shall take all action required to cause such shelf registration statement to be declared effective as soon as possible; provided, however, that if the Company is not subject to the periodic reporting

requirements of Section 13 or 15(d) of the Exchange Act, it need not file a shelf registration statement unless and until it becomes subject to such requirements. The Company will also grant to the UST piggyback registration rights for the Warrants and the Warrant Shares and will take such other steps as may be reasonably requested to facilitate the transfer of the Warrants and the Warrant Shares. The Company will apply for the listing of the Warrant Shares on the national exchange, if applicable, on which its Equity Interests are traded and will take such other steps as may be reasonably requested to facilitate the transfer of the Warrants or the Warrant Shares.

**Voting:** Prior to the occurrence of a Termination Event or an Event of Default, the UST will agree not to exercise voting power with respect to any shares of Equity Interests of the Company issued to it upon exercise of the Warrants.

**Consent:** In the event that the Company does not have sufficient available authorized shares of Equity Interests to reserve for issuance upon exercise of the Warrants and/or equityholder approval is required for such issuance under applicable stock exchange rules, the Company will call a meeting of its equity holders as soon as practicable after the date of this investment to increase the number of authorized shares of Equity Interests and/or comply with such exchange rules, and to take any other measures deemed by the UST to be necessary to allow the exercise of Warrants into Equity Interests.

**Substitution:** In the event that the Company is not listed or traded at any time on a national securities exchange or securities association, or the consent of the Company's stockholders described above has not been received within 6 months after the issuance date of the Warrants, the Warrants will be exchangeable, at the option of the UST, for senior term debt or another economic instrument or security of the Company such that the UST is appropriately compensated for the value of the Warrants, as determined by the UST.

**Optional Warrant Redemption:** At any time after the aggregate outstanding Advances, with interest thereon at the applicable Interest Rate, fees, expenses, indemnities and other amounts due to Lender shall have been paid in full, the Company shall have the right to repurchase any equity security of the Company held by the UST at fair market value or, if no recognized market for such securities exists at the time of prepayment, at the value attributed to such securities by an independent third party appraiser reasonably acceptable to Lender.

**Private Companies:** If the Company is privately held, in lieu of warrants, the UST will receive additional notes ("**Additional Notes**") with the same priority and general terms as the facility, in an amount equal to 6.67% of the Maximum Loan Amount.

**Other Terms**

**Fees and Expenses:** The Loan Parties shall be responsible for any and all legal fees, due diligence and other out-of-pocket expenses incurred by or on behalf of the Lender in connection with this Facility, whether or not the Facility closes or funds.

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| **Governing Law:** | Applicable Federal law (including conflicts of law rules), and in the absence of applicable Federal law, the law of the State of New York, without regard to conflict of laws doctrine applied in such state (other than Section 5-1401 of the New York General Obligations Law). |
| **Not a Commitment:** | This term sheet is a summary of indicative terms and conditions purely for discussion purposes, does not constitute a commitment on the part of Lender and is not binding on Lender. All terms described herein are subject to due diligence satisfactory to Lender, receipt of all appropriate credit and other required internal and external approvals, final documentation satisfactory in form and substance to Lender and its legal counsel. |

**Appendix A to Secured Term Loan Facility**

**Appendix A to Secured Bridge Loan Facility**
**Chrysler**

**Additional Terms**

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| **Company:** | Chrysler Holding LLC |
| **Borrower(s):** | The Company and any successor entities thereto. |
| **Guarantor(s):** | CarCo Intermediate HoldCo I and all of its direct and indirect domestic subsidiaries, on a joint and several basis.<br><br>To the extent permissible under existing agreements, FinCo Intermediate HoldCo LC and DaimlerChrysler Financial Services Americas LLC (the "**Finance Companies**") shall guarantee the Loan Amount up to $2.0 billion. Any portion of the $2.0 billion amount that cannot be guaranteed by Finance Companies shall be paid from distributions received by the Borrower from the Finance Companies. |
| **Closing Date:** | December 29, 2008 |
| **Loan Amount:** | Up to $4.0 billion, available on the Closing Date. |
| **Use of Funds:** | The Borrower shall contribute the proceeds to Chrysler LLC simultaneously with the funding of Advances with respect thereto, to be used for general business purposes. |
| **Expiration Date:** | December 29, 2011 at 5:00 pm Washington, DC time. |
| **Payment Date:** | The last business day of each calendar quarter, commencing with the first calendar quarter in 2009. |
| **LIBOR Floor:** | 2.00% |
| **Spread Amount:** | 300 basis points; provided that upon the occurrence and during the continuance of an Event of Default, the Spread Amount shall be equal to 800 basis points. |
| **Financial Covenants:** | TBD |
| **Additional Conditions Precedent:** | The requisite majority of the holders of the Chrysler LLC first lien indebtedness and second lien indebtedness (under the Chrysler LLC First Lien Credit Agreement and Second Lien Credit Agreement) shall have consented in writing to the pledge to the Lender of the MOPAR Parts Inventory and the real estate collateral not mortgaged to such holders. |
| **Due Diligence Items and Closing Checklist:** | TBD |
| **Collateral:** | To the extent legally and contractually permissible, the applicable Loan Parties shall grant to Lender first-priority liens on all unencumbered assets, and junior liens on all encumbered assets. Notwithstanding anything herein to the contrary, the Loan Parties shall use their best efforts to obtain all necessary waivers, amendments, approvals, or consents, as the case may be, to enable the Loan Parties to grant any such lien to the Lender as security for their respective obligations under the Facility. |
| **Relevant Companies:** | Chrysler Holding LLC and Chrysler LLC |