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June 20, 2008

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Federal Election Commission
C/O Erinn D. Larkin, Campaign Finance Analyst
999 E Street, NW
Washington, DC 20463

Identification Number: C00011114

Reference: March Monthly Report (2/1/08-2/29/08)

This responds to your May 20, 2008 letter regarding the Committee's report for the period February 1 through February 29, 2008.

We have enclosed a copy of the loan agreement and a separate copy of Schedule C-1 that contains the original signature from the lending institution.

Please let us know if you require any additional information.

American Federation of State, County and Municipal Employees, AFL-CIO

TEL (202) 429-1000 FAX (202) 429-1293 TDD (202) 659-0446 WEB www.afscme.org 1625 L Street, NW, Washington, DC 20036-5687

SCHEDULE C-1

LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS

Supplementary for
Information found on
Page 65 / 78 of Schedule C

Federal Election Commission, Washington, D.C. 20463

Name of Committee (in Full)

FEC IDENTIFICATION NUMBER

AMERICAN FEDERATION OF STATE COUNTY & MUNICIPAL EMPLOYEES - PEOPLE, QUALIFIED
Back Ref ID: SC/10.104574

LENDING INSTITUTION (LENDER)

Full Name

AMALGAMATED BANK

Amount of Loan

5000000.00

Interest Rate (APR)

6.00 %

Mailing Address

275 7th Avenue

Date Incurred or Established

02 25 2008

Date Due

1/31/2009

City

New York

State Zip Code

NY 10001

A. Has loan been restructured? ☒ No ☐ Yes If yes, date originally incurred :

B. If line of credit,

Total

Amount of this Draw:

1000000.00

Outstanding
balance :

1000000.00

C. Are other parties secondarily liable for the debt incurred?

☒ No ☐ Yes

(Endorsers and guarantors must be reported on Sch. C)

D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral?

☐ No ☒ Yes If yes, specify:

Cash deposits, Acct Rec, Genl intangibles

What is the value of this collateral?

1000000.00

Does the lender have a perfected security interest in it? ☒ No ☐ Yes

E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan? ☐ No ☒ Yes If yes, specify:

Future contributions

What is the estimated value?

5000000.00

A depository account must be established pursuant to 11 CFR 100.82 and 100.142.

Date account established:

03 15 2001

Location of account

AMALGAMATED BANK

Address:

275 7th Avenue

City, State, Zip: New York

NY 10001

F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment.

G. COMMITTEE TREASURER

Typed Name

WILLIAM LUCY

Signature

DATE

02 25 2008

H. Attach a signed copy of the loan agreement.

I. TO BE SIGNED BY THE LENDING INSTITUTION:

I. To the best of this institution's knowledge, the terms of the loan and other information regarding the extension of this loan are accurate as stated above.

II. The loan was made on terms and conditions (including interest rate) no more favorable at the time than those imposed for similar extensions of credit to other borrowers of comparable credit worthiness.

III. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set forth at 11 CFR 100.82 and 100.142 in making this loan.

AUTHORIZED REPRESENTATIVE

Typed Name

Signature



CRAIG McDOWELL
VICE PRESIDENT

DATE

06 17 2008

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Amalgamated Bank

January , 2008

American Federation of State, County & Municipal
Employees PEOPLE, Qualified
1625 L Street NW
Washington, D.C. 20036

Re: Revolving Credit Facility of \$5,000,000

Ladies and Gentlemen:

You have requested that Amalgamated Bank (the "Bank") provide to the American Federation of State, County & Municipal Employees PEOPLE, Qualified ("Borrower"), a separate segregated fund of the American Federation of State, County and Municipal Employees International Union, which is registered as a political action committee with the United States Federal Election Commission, a credit facility consisting of a \$5,000,000 revolving credit facility (the "Credit Facility"), the proceeds of which would be used for making contributions to assist candidates for public office.

The Bank is pleased to advise you that it is willing to provide the Credit Facility subject to the terms and conditions set forth herein and in the other Loan Documents (as defined herein).

This letter agreement (as it may be amended, modified or supplemented from time to time, this "Letter Agreement") is the "Letter Agreement" that may be referred to in the Loan Documents and, notwithstanding anything herein or in any of the other Loan Documents to the contrary, each of the other Loan Documents is subject to the terms and conditions of this Letter Agreement. In the event of any conflict between the terms and conditions of any other Loan Document and the terms of this Letter Agreement, the terms and conditions of this Letter Agreement shall control.

Capitalized terms used, and not defined, in this Letter Agreement shall have the meanings given such terms on Schedule A attached hereto and made a part hereof.

1. Credit Facility. Subject to the terms and conditions hereof, upon execution and delivery of this Letter Agreement and the other Loan Documents, the Bank will provide the Credit Facility which shall be repaid as set forth in the Note, as defined below.

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2. Conditions Precedent as of the Date Hereof. The making of the Credit Facility is subject to the satisfaction or waiver of the following conditions precedent as of the date hereof (the "Closing Date"):

(a) Loan Documents. The Bank shall have received from the Borrower a complete and duly executed and delivered original of each of the following, each in form and substance satisfactory to Bank (collectively, the "Loan Documents"):

(1) This Letter Agreement;

(2) Promissory Note from Borrower to Bank in the maximum principal amount of \$5,000,000 (the "Note");

(3) Continuing Security Agreement (the "Security Agreement");

(4) Covenant Agreement (the "Covenant Agreement");

(5) Deposit Account Pledge Agreement (the "Deposit Account Pledge Agreement");

(6) Certificate Of Resolutions Authorizing Secured Borrowings And Execution Of Promissory Notes, Security Agreements And Related Documents (the "Certificate of Resolutions"); and

(7) UCC -1 Financing Statements ("UCC's").

(b) Organizational Documents. The Bank shall have received the following, and such documents shall be in a form and substance acceptable to the Bank:

(1) a copy of the Borrower's articles of organization, charter and by-laws, each as amended, and, to the extent applicable, certified as of a recent date by the appropriate governmental official;

(2) a good standing certificate for the Borrower from the applicable governmental authority of the Borrower's jurisdiction of formation; and

(3) such other documents as the Bank may reasonably request.

(c) Legal Fees. Borrower shall have paid the Bank's legal fees invoiced to it.

(d) Diligence. The Bank shall have completed its due diligence.

(e) Lien Searches; UCC Financing Statements. The Bank shall have received the following:

1. the results of a recent search of all effective UCC financing statements (or equivalent filings) made with respect to any personal or mixed property of the Borrower in the District of Columbia, together with copies of all such filings disclosed by such search, together with UCC termination statements (or similar documents) for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search together with payoff letters and/or other documents, duly executed by all applicable persons, sufficient to terminate the security interests to which such filings relate;
2. evidence satisfactory to the Bank of the compliance by the Borrower of its obligations under the Loan Documents with respect to UCC financing statements.

3. Conditions Precedent for Each Advance. In addition to the satisfaction of each of the conditions precedent set forth in Section 2 hereof, the Borrower's right to draw down under the Credit Facility and receive an advance of loan proceeds (each an "Advance") on any borrowing date under the Note is subject to the satisfaction of each of the following conditions precedent:

(a) as of such borrowing date, the representations and warranties of the Borrower contained herein and in the other Loan Documents shall be true and correct in all material respects on and as of that borrowing date to the same extent as though made on and as of that date;

(b) as of such borrowing date, no event shall have occurred and be continuing or would result from the making of such Advance that would constitute an Event of Default or a Default;

(c) evidence that the Borrower shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording reasonably required by the Bank;

(d) after giving effect to the making of such Advance on such borrowing date, the aggregate principal amount of all Advances then outstanding does not exceed \$5,000,000; and

(e) the requested borrowings and the use of the proceeds thereof shall not violate any requirement of law and shall not result in, or require, the creation or imposition of any lien on any of the Borrower's respective properties or revenues pursuant to any such requirement of law.

4. Representations and Warranties. As of the date hereof, the Borrower represents and warrants to the Bank that the following statements are true and correct:

(a) Good Standing. Borrower is duly organized and in good standing in the state of Borrower's formation, and except where the failure to do so would not have a material adverse effect on Borrower or its business (i) Borrower has obtained and maintained all licenses or permits required, and (ii) Borrower is duly qualified or licensed in good standing in all jurisdictions where the nature of Borrower's activities requires such qualification or licensing;

(b) Authority. Borrower has full right, power and authority to enter into, execute and deliver this Letter Agreement, the Note and the other Loan Documents, and any officer's certificate and other documents executed and/or delivered by Borrower to Bank in connection with this Letter Agreement or the other Loan Documents to which Borrower is a party, and Borrower has and shall have full right, power and authority to perform each and all matters and things required to be performed under this Letter Agreement and the other Loan Documents to which Borrower is a party; each of this Letter Agreement and the other Loan Documents to which Borrower is a party have been duly authorized, executed and delivered and constitutes the legal, valid and binding contract of Borrower, enforceable in accordance with its terms (subject to (i) bankruptcy and other laws of general application affecting the rights of creditors and (ii) the award by courts of monetary damages rather than specific performance of contractual provisions involving matters other than the payment of money);

(c) Compliance. The Borrower conducts its business and operations and the ownership of its assets in material compliance with each applicable statute, regulation and other law, including, without limitation environmental laws and the Patriot Act. All approvals, including authorizations, permits, consents, franchises, licenses, registrations, filings, declarations, reports and notices (the "Approvals") necessary for the conduct of the Borrower's business have been duly obtained and are in full force and effect. The Borrower is in compliance with the Approvals. The Borrower is in compliance with its articles of organization, operating agreement or other applicable organizational or governing document as may be applicable to the Borrower depending on its organizational structure ("Governing Documents"). The Borrower is in compliance in all material respects with each agreement to which it is a party or by which it or any of its assets is bound.

(d) Legality. The execution, delivery and performance by the Borrower of this Letter Agreement and all related documents, including the Loan Documents to which Borrower is a party, (i) are in furtherance of the Borrower's purposes and within its power and authority; (ii) do not (A) violate any statute, regulation or other law or any judgment, order or award of any court, agency or other governmental authority or of any arbitrator with respect to the Borrower or (B) violate the Borrower's Governing Documents, constitute a default under any agreement binding on the Borrower or result in a lien or encumbrance on any assets of the Borrower; and (iii) have been duly authorized by all necessary organizational actions.

(e) Fiscal Year. The fiscal year of the Borrower is the calendar year.

(f) Full Disclosure. Neither this Letter Agreement nor any certificate, financial statement or other writing provided to the Bank by or on behalf of the Borrower contains any statement of fact that is incorrect or misleading in any material respect or omits to state any fact necessary to make any such statement not incorrect or misleading. The Borrower has not failed to disclose to the Bank any fact that might have a material adverse effect on the Borrower.

(g) No Defaults. No Event of Default or event which, with the giving of notice or the passage of time or both, would be an Event of Default, has occurred or continues or will occur as a result of Borrower's entering into or performing its obligations pursuant to this Letter Agreement or the other Loan Documents;

(h) No Conflict. Borrower's execution and delivery of this Letter Agreement and the other Loan Documents and performance of its obligations thereunder are not and will not be in contravention of any provision of law or any charter or by-law provision or any covenant, indenture or agreement of or affecting Borrower or any property of Borrower;

(i) No Claims. There is no action, suit, investigation or proceeding pending or to Borrower's knowledge threatened against Borrower in or before any court or any administrative or governmental authority, or any arbitration forum, which if determined against Borrower would materially affect Borrower's ability to enter into this Letter Agreement or the other Loan Documents or materially prejudice in any way Borrower's ability to fulfill the obligations set forth in this Letter Agreement or the other Loan Documents;

(j) Solvency. On the date hereof, and after giving effect to the Credit Facility and other obligations and liabilities being incurred, Borrower is and will be solvent.

(k) Margin Regulations. No part of the proceeds of the Credit Facility will be used for the purpose of buying or carrying any "margin stock," as such term is used in Regulations G and U of the Board of Governors of the Federal Reserve System, as amended from time-to-time, or to extend credit to others for the purpose of buying or carrying any "margin stock." Borrower is not engaged in the business of extending credit to others for the purpose of buying or carrying margin stock. Borrower does not own any "margin stock." Neither the making of the Credit Facility nor any use of proceeds of the Credit Facility will violate or conflict with the provisions of Regulation G, T, U or X of the Board of Governors of the Federal Reserve System as amended from time to time.

(l) Ownership and Subsidiaries. Borrower is not a partner (general or limited) of any partnership, is not a party to any joint venture, is not a member or manager of a limited liability company, is not a shareholder of any corporation, is not an owner (beneficially or of record) of any equity or similar interest in any Person (including, but not limited to, any interest pursuant to which Borrower has or may in any circumstance have an obligation to make capital contributions to, or be generally liable for or on account of the liabilities, acts or omissions of such other person).

(m) Taxes. All tax and information returns required to be filed by or on behalf of Borrower have been properly and timely prepared, executed and filed or appropriate extensions

have been properly obtained and remain in effect. All taxes, assessments, fees and other governmental charges upon Borrower or upon any of its properties, revenues, incomes, sales, use or franchises (collectively, "Taxes") which are due and payable have been paid other than those not yet delinquent and payable without premium or penalty, and except for those being diligently contested in good faith by appropriate proceedings, and in each case adequate reserves and provisions for Taxes have been made on the books of Borrower. The reserves and provisions for Taxes on the books of Borrower are adequate for all open years and for its current fiscal period. Borrower does not know of any proposed additional assessment or basis for any material assessment for additional Taxes against Borrower (whether or not reserved against) which could have a material adverse effect on the Borrower.

(n) Environmental Matters.

- (i) Borrower is and has been in compliance in all material respects with all applicable Environmental Laws.
- (ii) All Environmental Approvals necessary for the ownership and operation of Borrower's business as presently owned and operated and as presently proposed to be owned and operated have been duly obtained and are in full force and effect.
- (iii) There is no Environmental Claim pending or to Borrower's knowledge threatened, and there are no present acts, omissions, events or circumstances and no past acts, omissions, events or circumstances, including, but not limited to, any dumping, leaching, deposition, removal, abandonment, escape, emission, discharge or release of any Environmental Concern Material at, on or under any facility or property now or previously owned, operated or leased by Borrower or any of its respective Environmental Affiliates, that could form the basis of any Environmental Claim against Borrower or any of its respective Environmental Affiliates.
- (iv) Neither Borrower nor, any of its Environmental Affiliates, has directly transported or directly arranged for the transportation of any material quantities of Environmental Concern Materials to any Environmental Cleanup Site. No lien exists and no condition exists which is reasonably likely to result in the filing of a lien against any property of Borrower or any of its respective Environmental Affiliates under any Environmental Law.

(o) Investment Company Act. Borrower is not an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, or a company "controlled" by, an investment company, each within the meaning of the Investment Company Act of 1940, as amended.

(p) ERISA.

With respect to each Pension Plan subject to Title IV of ERISA:

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- (i) The plan is qualified under Section 401(a) of the Code, and any trust through which the plan is funded meets the requirements to be exempt from federal income tax under Section 501(a) of the Code.
 - (ii) There is no accumulated funding deficiency (as defined in Section 412(a) of the Code) with respect to the plan, whether or not waived.
 - (iii) All contributions required to be made to the plan under the terms of the plan or any collective bargaining agreement or applicable law have been made to the plan.
 - (iv) If the plan is a defined benefit plan (as defined in Section 3(35) of ERISA), had the plan terminated and benefits been distributed on the last plan valuation date, the plan would have been sufficient for benefit liabilities (within the meaning of Sections 4001(a)(16) and 4041(d) of ERISA) as of that date.
 - (v) No ERISA Title IV Liability Event has occurred or is expected to occur with respect to any Pension Plan subject to Title IV of ERISA that is not sufficient for liabilities within the meaning of Section 4041(d) of ERISA.

With respect to each Multiemployer Plan:

- (i) Neither any Borrower nor any Controlled Group Member has withdrawn or expects to completely or partially withdraw from the plan at such time as any amount outstanding under the Credit Facility or the Bank has any obligation to extend any credit under the Credit Facility pursuant to this Letter Agreement.
- (ii) Each Borrower and each Controlled Group Member has made all contributions it is required to make to the plan under the terms of the plan or any collective bargaining agreement or applicable law.
- (iii) Neither any Borrower nor any Controlled Group Member has been notified that the plan is in reorganization (within the meaning of Section 4241 of ERISA) or that it is expected to go into reorganization or be terminated.

With respect to each Pension Plan and Welfare Plan, there is no litigation pending, or to Borrower's knowledge threatened, that, if adversely determined, would have a material adverse effect on the financial condition of the Borrower and its subsidiaries taken as whole and there are no existing facts or circumstances likely to give rise to any such litigation with respect to any Pension Plan or Welfare Plan.

(q) Adverse Contracts. Borrower is not a party to, nor is any of the property of Borrower subject to or bound by any long term lease, forward purchase contract or futures contract, covenant not to compete, or other agreement, which, in each case, materially adversely restricts its ability to conduct its business, or has a material adverse effect or would be reasonably likely to have a material adverse effect on the financial condition, results of operations or business of the Borrower.

(r) Accuracy of Financial Statements; No Undisclosed Liabilities. The financial statements (including pro forma financial statements and projections of check-off contributions, other contributions and revenues) of the Borrower and any Subsidiaries delivered to the Bank are complete and correct and present fairly the consolidated financial condition of the Borrower and its Subsidiaries, and the consolidated results of their operations and their consolidated cash flows for the relevant period then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with generally accepted accounting principles applied consistently throughout the periods involved (except as disclosed therein). Neither the Borrower nor any Subsidiary of the Borrower had, at the date of the most recent balance sheet delivered to the Bank, any material guarantee obligation, contingent liability or liability for taxes, or any long-term lease or unusual forward or long-term commitment, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other financial derivative, which is not reflected in the foregoing statements or in notes thereto.

(s) Compliance With Anti-Terrorism Laws. The Borrower and its respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Letter Agreement are not (i) in violation of any laws relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by the U.S. Department of Treasury Office of Foreign Assets Control (such laws collectively, the "Anti-Terrorism Laws"), or (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(t) Creation and Perfection of Security Interests. The provisions of the Loan Documents are effective to create in favor of the Bank a legal, valid and enforceable security interest in all right, title and interest of the Borrower in and to its personal property including check-off and other contributions and revenues. The Credit Facility will be secured by a perfected first priority security interest in all tangible and intangible assets (including, without limitation, revenues, payment intangibles, accounts, accounts receivable, inventory, equipment, general intangibles, intercompany notes, insurance policies, investment property, intellectual property, cash and proceeds of the foregoing) of Borrower, wherever located, now or hereafter owned. The Borrower and its Subsidiaries do not own any personal property, or have any interest in any personal property, that is not subject to a fully perfected first priority lien on, or security interest in, such property in favor of the Bank.

(u) No Material Adverse Change. There has been no development or event which has had or could reasonably be expected to have a material adverse effect on the Borrower or its financial condition.

(v) Intellectual Property. The Borrower owns, or is licensed to use, all trademarks, tradenames, copyrights, technology, know-how and processes necessary for the conduct of its business as currently conducted except for those the failure to own or license which could not reasonably be expected to have a material adverse effect. No claim has been

asserted and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property. The use of such Intellectual Property by each Borrower and its Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements that, in the aggregate, could not reasonably be expected to have a material adverse effect.

(w) Ownership of Property; Liens. The Borrower has good record and marketable title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien other than in favor of the Bank.

(x) Representations and Warranties. The representations and warranties contained herein and in the other Loan Documents are true and correct in all material respects as of the date hereof to the same extent as though made on and as of that date;

5. Affirmative Covenants. Borrower covenants and agrees that until payment in full of all Liabilities (as such term is defined in the Note), Borrower shall perform, and shall cause each of its subsidiaries to perform, all covenants in this Section 5.

(a) Maintenance of Books and Records. Borrower shall maintain all books and records at the location indicated in the Loan Documents, and the Bank shall maintain its right to inspect such books and records upon reasonable notice, provided that no such notice will be required after an Event of Default.

(b) Notices of Default. Borrower must notify the Bank in writing, within 5 Business Days after the Borrower has notice or knowledge thereof, of the occurrence of any event that constitutes, or with the giving of notice and/or lapse of time would constitute, an Event of Default by the Borrower under any Loan Document.

(c) Material Adverse Changes. Borrower shall not change the nature of its business in a material manner.

(d) Use of Proceeds. Proceeds of the Credit Facility shall be used for contributions to candidates for public office. The Credit Facility shall be repaid as set forth in the Note.

(e) Default Interest and Fees. Upon the occurrence and during the continuance of an Event of Default, interest will accrue at the default rate as set forth in the Note. Default interest shall be payable on demand.

(f) Mandatory Prepayments. The Credit Facility shall be prepaid and/or commitments reduced (in the order set forth below) in an amount equal to (a) 100% of the net proceeds received from the sale or other disposition of all or any part of the assets of Borrower after the Closing Date, (b) 100% of the net proceeds received by the Borrower from the issuance of debt after the Closing Date, unless such issuance shall be agreed to by the Bank, (c) the occurrence of a material adverse effect on the business, not limited to, (i) a material adverse

effect on the business, property, results of operations, prospects or condition, financial or otherwise, of the Borrower and its subsidiaries, taken as a whole, or (ii) material impairment of the ability of the Borrower or its subsidiaries to fully and timely perform any of their obligations under the Credit Facility.

(g) Optional Prepayments. Prepayments, including accrued and unpaid interest, are permitted in whole or in part without premium or penalty, provided the Bank has received prior notice. The Bank may impose a minimum amount for such prepayments.

(h) Compliance. The Borrower will conduct its business and operations and the ownership of its assets in material compliance with all material contractual obligations and each applicable statute, regulation and other law, including laws governing elections, political contributions and environmental laws.

(i) Payment of Obligations and Continuation of Business. The Borrower will pay all outstanding obligations, including but not limited to the unpaid balance of the Bank's legal fees, and continue its business and operations, maintaining all rights and privileges existing as of the date hereof.

(j) Annual Meetings. The Borrower will meet annually with the Bank to review its business, financial condition and results and its operations.

(k) Property and Insurance. The Borrower will maintain its property in good repair and will on request provide the Bank with evidence of insurance coverage satisfactory to the Bank, including fire and hazard, liability, workers' compensation and business interruption insurance and flood hazard insurance as required.

6. Negative Covenants. During the term of this Letter Agreement and so long as any portion of the Liabilities (as such term is defined in the Note) remains unpaid the Borrower shall not and shall not permit any subsidiary to:

(a) Indebtedness. Incur or permit to exist any Indebtedness except for trade indebtedness or current liabilities for salary and wages incurred in the ordinary course of business and not substantially overdue.

(b) Guaranties. Become a guarantor, a surety, or otherwise liable for the debts or other obligations of another, whether by guaranty or suretyship agreement, agreement to purchase Indebtedness, agreement for furnishing funds through the purchase of goods, supplies or services (or by way of stock purchase, capital contribution, advance or loan) for the purpose of paying or discharging Indebtedness, or otherwise, except as an endorser of instruments for the payment of money deposited to its bank account for collection in the ordinary course of business.

(c) Liens. Permit any of its assets, revenues, or income to be subject to any Lien, as defined herein, except for Liens in favor of Bank (the "Permitted Liens").

(d) Investments. Make any investment outside of the ordinary course of business, other than in FDIC insured deposits or United States Treasury obligations of less than one year, or in money market or mutual funds administering such investments.

(e) Mergers and Acquisitions; Dividends, Stock Repurchases, Redemptions. Merge with or acquire any business or entity, or pay any dividend, repurchase or redeem any stock without the prior consent of the Bank.

(f) Sale and Leaseback Transactions. Engage in any sale and leaseback or similar transaction without the prior consent of the Bank.

(g) Loans. Make any loan, advance or other extension of credit except for endorsements of negotiable instruments deposited to the Borrower's deposit account for collection, trade credit in the normal course of business and intercompany loans approved in writing by the Bank.

(h) Sale or Transfer of Assets; Suspension of Business Operations. Sell (including as part of a sale-leaseback transaction), convey, assign, lease, transfer, abandon or otherwise dispose of, voluntarily or involuntarily, (i) all or a substantial part of its assets, or (ii) any collateral or any interest therein (whether in one transaction or in a series of transactions) to any other Person other than the sale of inventory in the ordinary course of business and, so long as no Event of Default has occurred and is continuing, the sale or disposal of obsolete, worn out or other equipment not needed for the operation of Borrower's business, and will not liquidate, dissolve or suspend business operations, or agree, become or remain liable (contingently or otherwise) to do any of the foregoing with respect to any collateral.

(i) Dealings with Affiliates. Enter into any transaction with any director, manager, officer, employee, shareholder, member or Affiliate of the Borrower or any Subsidiary except transactions upon terms which are fair and reasonable and which shall be at least as favorable as would result in a comparable arm's-length transaction with a Person not a director, manager, officer, employee, shareholder, member or Affiliate of the Borrower or any Subsidiary; or (ii) pay any management, consulting or other similar fees (other than salary, benefits and bonuses to employees) to any director, manager, officer, employee, shareholder, member or Affiliate.

(j) Modification/Waiver. Modify any material documents or waive any material requirements that would adversely affect the Bank's rights and interests hereunder.

(k) Fiscal Year. Change its fiscal year from that stated in Section 4 above.

(l) Subsidiaries. Create, acquire or suffer to exist any Subsidiary without the prior written consent of the Bank, which may be conditioned upon the execution and delivery by such Subsidiary of an amendment to one or more Loan Documents, a guarantee of the obligations under the Credit Facility, a security agreement with respect to such Subsidiary's assets, a pledge of some or all of the Equity Interests in such Subsidiary, other documents, certificates and/or instruments and satisfactory results of due diligence with respect to liens, title

and environmental matters relating to such entity and its assets and Equity Interests. Create or maintain a holding company or inactive subsidiary as passive, non-operating enterprises.

7. Events of Default. Each of the following shall be an "Event of Default":

(a) Any failure of the Borrower to perform or comply with any term or condition contained in this Letter Agreement which remains uncured for 10 Business Days after written notice thereof from Bank to Borrower.

(b) Any failure of the Borrower to pay any fee set forth in Section 8 hereof shall be deemed to be an "Event of Default" for all purposes of the Loan Documents.

(c) Any failure of the Borrower to perform or comply with any term or condition contained in any of the Loan Documents which remains uncured within any applicable cure periods set forth therein.

(d) Any Event of Default as defined in the Note or any other Loan Document.

8. Expenses and Indemnification. All reasonable out-of-pocket expenses (including but not limited to reasonable legal fees and expenses and expenses incurred in connection with due diligence and travel, courier, reproduction, printing and delivery expenses) of the Bank and with the preparation, execution and delivery, administration, amendment, waiver or modification (including proposed amendments, waivers or modifications) of the documentation contemplated hereby are to be paid by Borrower. In addition, all out-of-pocket expenses (including but not limited to reasonable legal fees and expenses) of the Bank and for workout proceedings, enforcement, other fees and expenses, and other costs and documentary taxes associated with the Credit Facility are to be paid by Borrower.

Borrower will indemnify the Bank, its affiliate, and all officers, directors, employees, agents, representatives and controlling persons thereof, and hold the Bank harmless from and against all reasonable out-of-pocket costs, expenses (including but not limited to reasonable legal fees and expenses, whether incurred in a third party action or an action to enforce this Letter Agreement or any Loan Document) and liabilities arising out of or relating to the transactions contemplated hereby and any actual or proposed use of the proceeds of any loans made under the Credit Facility; *provided, however*, that no such person will be indemnified for costs, expenses or liabilities to the extent determined by a final judgment of a court of competent jurisdiction to have been incurred solely by reason of the gross negligence or willful misconduct of such person.

9. Governing Law: This Letter Agreement and the other Loan Documents will be governed by the laws of the State of New York without giving effect to conflict of law principles.

10. USA PATRIOT Act: The Bank subject to the Act hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-

56 (signed into law October 26, 2001)) (the "Act"), that it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Bank to identify the Borrower in accordance with the "Act."

By executing this Letter Agreement, you acknowledge that this Letter Agreement and the Loan Documents are the only agreement between you and the Bank with respect to the Credit Facility and set forth the entire understanding of the parties with respect thereto. This Letter Agreement may not be changed except pursuant to a writing signed by each of the parties hereto. This Letter Agreement may be executed in any number of counterparts, including by facsimile or electronic delivery of a copy of the executed this Letter Agreement, all of which, when taken together, shall constitute one and the same instrument.

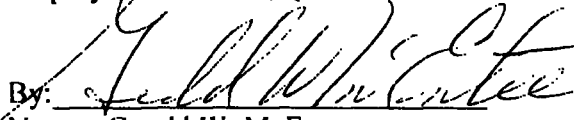
Very truly yours,

AMALGAMATED BANK

By: _____
Name:
Title:

Accepted and agreed to as of
the date first above written:

American Federation of State, County & Municipal
Employees PEOPLE, Qualified

By: 
Name: Gerald W. McEntee
Title: Chairman

Schedule A
Defined Terms

"Affiliate" shall mean, with respect to any Person, any other person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director, officer, general partner, member or manager of such Person or, with respect to an individual, has a relationship with such individual by blood, adoption or marriage not more remote than first cousin. For purposes of this definition, the term **"control"** (including the terms **"controlling," "controlled by"** and **"under common control with"**) of a Person shall mean the possession, direct or indirect, of the power to vote 10% or more of the outstanding Voting Interests in such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Interests, by virtue of being a general partner or managing member, by contract or otherwise.

"Business Day": any day on which both (a) banks are regularly open for business in New York City and (b) the Office is open for ordinary business. In the Bank's discretion, the Office may be closed on any Saturday, Sunday, legal holiday or other day on which it is lawfully permitted to close.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to sections of the Code shall be construed also to refer to any successor sections.

"Controlled Group" means a controlled group of corporations of which the Borrower is a member within the meaning of Section 414(b) of the Code, any group of corporations or entities under common control with a Borrower within the meaning of Section 414(c) of the Code or any affiliated service group of which a Borrower is a member within the meaning of Section 414(m) of the Code.

"Controlled Group Member" means each trade or business (whether or not incorporated) which is a member of a Controlled Group.

"Distributions" shall mean, with respect to any Person for any period, all dividends and other distributions on any of the outstanding Equity Interests in such Person (in the case of any Loan Party including, without limitation, all tax distributions), all purchases, redemptions, retirements, defeasances or other acquisitions of any of the outstanding Equity Interests in such Person and all returns of capital to the equity holders, partners or members (or the equivalent persons) of such Person, in each case to the extent paid in cash by or on behalf of such Person during such period.

"Environmental Affiliate" shall mean, with respect to any Person, any other person whose liability (contingent or otherwise) for any Environmental Claim such Person has retained, assumed or otherwise is liable for (by law, agreement or otherwise).

"Environmental Approvals" shall mean any governmental action pursuant to or required under any Environmental Law.

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“Environmental Claim” shall mean, with respect to any Person, any action, suit, proceeding, investigation, notice, claim, complaint, demand, request for information or other communication (written or oral) by any other person (including, but not limited to, any governmental authority, citizens’ group or present or former employee of such Person) alleging, asserting or claiming any actual or potential (a) violation of any Environmental Law, (b) liability under any Environmental Law or (c) liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, fines or penalties arising out of, based on or resulting from the presence, or release into the Environment, of any Environmental Concern Materials at any location, whether or not owned by such Person.

“Environmental Cleanup Site” shall mean any location which is listed or proposed for listing on the National Priorities List, on CERCLIS or on any similar state list of sites requiring investigation or cleanup, or which is the subject of any pending or threatened action, suit, proceeding or investigation related to or arising from any alleged violation of any Environmental Law.

“Environmental Concern Materials” shall mean (a) any flammable substance, explosive, radioactive material, Hazardous Material, hazardous waste, toxic substance, solid waste, pollutant, contaminant or any related material, raw material, substance, product or by-product of any substance specified in or regulated or otherwise affected by any Environmental Law (including, but not limited to, any “hazardous substance” as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Section 9601, *et seq.*) (“**CERCLA**”) or any similar state Law), (b) any toxic chemical or other substance from or related to industrial, commercial or institutional activities, and (c) asbestos, gasoline, diesel fuel, motor oil, waste and used oil, heating oil and other petroleum products or compounds, polychlorinated biphenyls, radon and urea formaldehyde.

“Environmental Law” shall mean any law, whether now existing or subsequently enacted or amended, relating to (a) pollution or protection of the environment, including natural resources, (b) exposure of persons, including, but not limited to, employees, to Environmental Concern Materials, (c) protection of the public health or welfare from the effects of products, by-products, wastes, emissions, discharges or releases of Environmental Concern Materials or (d) regulation of the manufacture, use or introduction into commerce of Environmental Concern Materials including their manufacture, formulation, packaging, labeling, distribution, transportation, handling, storage or disposal. Without limitation, “Environmental Law” shall also include any Environmental Approval and the terms and conditions thereof.

“Equity Interests” shall mean, with respect to any Person, all of the shares of capital stock of (or other ownership, partnership, membership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership, partnership, membership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership, partnership, membership or profit interests in) such Person or warrants, rights or options for the purchase or other acquisition from such Person of such shares (or such other interests), and all of the other ownership, partnership, membership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

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"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import and regulations thereunder, as in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"Governmental Authority" shall mean any government or political subdivision or any agency, authority, branch, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or public or private mediator or arbitrator, in each case whether foreign or domestic.

"Hazardous Material" shall include, without limitation, any flammable or ignitable (as such term is used under the statutes, codes, laws, ordinances, rules and regulations described in this paragraph) materials, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, pollutant, hazardous or toxic pollutant, polychlorinated biphenyls (PCBs), solid waste, petroleum, petroleum product, pesticide, asbestos or any other material as defined and/or subject to regulation by: (1) any Federal, state or local environmental health or safety statutes, code, law, ordinance, rule, or regulation including, without limitation, CERCLA, the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 9601, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), and statutes codified in the New York Environmental Conservation Law, as amended, and the New York Navigation Law, as amended and in the rules and regulations adopted pursuant to each of the foregoing, or (2) any Federal, state or local governmental authority having or claiming jurisdiction over the property or assets of any Loan Party. The term "Hazardous Material" shall include any constituent and degradation product of a Hazardous Material.

"Indebtedness" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money or advances; (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such Person upon which interest charges are customarily paid or accrued; (d) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person; (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business on normal trade terms and not overdue by more than 120 days); (f) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, but limited to the fair market value of such property; and (g) all obligations of such Person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions.

"Lien" means any security interest, mortgage or other lien or encumbrance except for liens for property taxes not yet due; pledges and deposits to secure obligations or performance for workers' compensation, bids, tenders, contracts other than notes, appeal bonds or public or statutory obligations; and materialmen's, mechanics', carriers' and similar liens arising in the normal course of business.

"Loan Parties" means each of Borrower and each of its Subsidiaries and **"Loan Party"** shall mean any of them.

"Multiemployer Plan" means any employee pension plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA and to which a Borrower or any Controlled Group Member has or had on or after September 26, 1980 an obligation to contribute.

"Multiple Employer Plan" means any employee pension benefit plan subject to Title IV of ERISA and described in Section 4063 of ERISA of which a Borrower or another Controlled Group Member at any time during the five preceding plan years is or has been a contributing sponsor and which has at least one other contributing sponsor who is not a Controlled Group Member.

"Office": the Bank's office at 275 Seventh Avenue, 14th Floor, New York, New York 10001, or such other place as the Bank may specify by notice.

"Pension Plan" means any employee pension benefit plan (other than a Multiemployer Plan) as defined in Section 3(2) of ERISA maintained for employees of a Borrower or any Controlled Group Member or to which a Borrower or any Controlled Group Member made, or was required to make, contributions at any time within the preceding six years.

"Person" shall mean an individual, corporation, partnership, limited liability company, trust, unincorporated association, joint venture, joint-stock company, Governmental Authority or any other entity.

"Subsidiary" of a Person at any time shall mean any Person of which a majority (by number of shares, equity interests or number of votes) of any class of outstanding capital stock or equity interest (determined by value) is at such time owned directly or indirectly, beneficially or of record, by such Person or one or more Subsidiaries of such Person, and any trust or other Person of which a majority of any class of outstanding equity interest is at such time owned directly or indirectly, beneficially or of record, by such Person or one or more Subsidiaries of such Person.

"Voting Interests" shall mean shares of capital stock issued by a corporation, or equivalent equity interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right to so vote has been suspended by the happening of such a contingency.

"Welfare Plan" means an employee welfare benefit plan as defined in Section 3(1) of ERISA, maintained for employees of any Borrower or any Controlled Group Member.

PROMISSORY NOTE

U.S.\$5,000,000.00

January __, 2008, New York, New York

1. (a) **Obligation to Repay:** For value received, Borrower absolutely and unconditionally promises to pay to the order of the Bank, at the Office, without defense, set-off or counterclaim, the maximum principal amount of Five Million and 00/100 United States Dollars or such other lesser amount as shall be noted as unpaid on the Schedule, pursuant to the authority set forth in this Note, together with interest and any other sum(s) due as specified below. The then outstanding principal amount of this Note shall be due and payable on December 31, 2009 (the "Maturity Date").

(b) **Revolving Feature:** Borrower shall have the right to draw down upon this Note not less than five hundred thousand (\$500,000.00) at any one time (or, if less, the entire remaining undrawn maximum principal amount hereof). Borrower may draw and repay the principal of this Note from time to time on any Business Day up to but not including December 31, 2008 (the "Revolver Termination Date") provided, however, that Borrower shall only have the right to draw under this Note if no Event of Default and no event which, with the giving of notice and/or lapse of time, would be an Event of Default shall have occurred or be continuing. Borrower's right to draw under this Note shall be subject to the provisions of any applicable Agreement. Drawings under this Note may be made, at Borrower's option, by written request, delivered to the Bank or received by the Bank by telefax not later than 10:00 a.m., New York City time, on the Business Day immediately prior to the date of such requested borrowing; provided that Bank shall, in its sole discretion, be satisfied as to the authority of the person(s) making such request on behalf of Borrower. Each borrowing shall constitute a representation and warranty by the Borrower as of the date of such borrowing that all representations and warranties made by the Borrower pursuant to the Note or any other Agreement are true and correct in all material respects as of the date of such borrowing as if made on such date, and that no Event of Default (or event which, with the giving of notice and/or lapse of time would be an Event of Default) has occurred and is continuing. All amounts outstanding under this Note up to but not including the Revolver Termination Date shall be referred to as the "Revolving Loan".

(c) **Conversion to Term Loan:** On the Revolver Termination Date, all amounts outstanding under this Note shall be automatically converted to a term loan (the "Term Loan"). The Term Loan shall be repaid in twelve (12) equal monthly installments calculated according to a one-year amortization schedule with final payment of all outstanding principal on the Maturity Date.

(d) **Bank Authorized to Debit Account:** In addition to the Bank's rights of set-off, Bank is authorized to debit any demand deposit (checking) or other account maintained by Borrower at Bank for all amounts due under this Note as principal or interest, as and when they become due.

2. **Authorization to Complete Schedule:** The Borrower and all endorsers hereby unconditionally authorize the Bank or holder of this Note to record on the Schedule: (i) all dates of drawing and amounts drawn down, (ii) all dates and payments of principal, and (iii) remaining unpaid principal balances of this Note. All such notations shall be deemed correct, conclusive, final and binding on Borrower in the absence of manifest error, bad faith or gross negligence by the Bank provided, however, that the failure of the Bank to record any of the foregoing or any error in such recordation shall not limit or otherwise affect the obligation of Borrower to pay all amounts owed to the Bank under this Note or any Agreement. The Bank is authorized to attach additional Schedules, as needed, to this Note.

3. **Interest:** Subject to paragraph A(2) of the Terms and Conditions, interest shall accrue on the principal amount of the Revolving Loan outstanding from time to time at a Variable Rate equal to the Base Rate as in effect from time to time. Subject to paragraph A(2) of the Terms and Conditions, interest shall accrue on the principal amount of the Term Loan outstanding from time to time at a rate equal to the Base Rate as in effect from time to time (the rate on the Revolving Loan or the Term Loan, as applicable, being the "Loan Rate"). Interest shall be payable monthly and at any Payment Date and at any time that any part of the principal or any installment of this Note is paid.

4. **Address and Identification of Borrower:**
American Federation of State,
County & Municipal Employees
PEOPLE, Qualified

28039752833

Address: 1625 L Street N.W.
Washington, DC 20036
Phone Number: 202-429-
1021
Telefax Number: 202-
429-1011
Taxpayer ID number: 52-
1456472

5. **Security:** This Note is secured by the following (complete one or more of the following as applicable; separate Security Agreement(s) required for b-j):

- (a) ☐ none
- (b) ☐ securities
- (c) ☒ accounts receivable
- (d) ☐ inventory
- (e) ☐ equipment
- (f) ☐ special accounts receivable (Medicare/Medicaid)
- (g) ☒ general intangibles
- (h) ☒ bank deposits or CD's
- (i) ☐ real estate
- (j) ☒ other - payment intangibles; Revenues (as defined in Continuing Security Agreement)

6. **Agreement to All Terms and Conditions; Authorization to Complete Blanks:** This Note is subject to the Terms and Conditions set forth below. Each of the undersigned agrees to all of the provisions of this Note, including the Terms and Conditions and any Rider(s). The Bank is authorized to complete any blank space in this Note. Such completion shall be conclusive, final and binding on Borrower in the absence of manifest error.

7. **No Representations or Agreements by the Bank:** Each of the undersigned acknowledges that the Bank has made no representation, covenant, commitment or agreement to Borrower except pursuant to any written document executed by the Bank.

8. **No Representation of Nonenforcement:** Each of the undersigned acknowledges that no representative or agent of the Bank has represented or indicated that the Bank will not enforce any provision of this Note, including the Terms and Conditions and any Rider(s), in the event of litigation or otherwise.

* * *

9. **Waiver of Jury Trial:** Borrower waives, and delivers this Note to Bank on condition that, by its acceptance of this Note, Bank waives, the right to a jury trial with respect to any dispute arising under or in connection with this Note or relating to any of the Liabilities; any judicial proceeding with respect to any such dispute shall take place without a jury.

* * *

TERMS AND CONDITIONS

Definitions are set forth in paragraph M.

- A. **Calculation and Accrual of Interest:** (1) **Generally.** Interest shall be calculated on a daily basis on outstanding balances at the Applicable Rate, divided by 360, on the actual days elapsed. During any time that the Applicable Rate would exceed the applicable maximum lawful rate of interest, the Applicable Rate shall automatically be reduced to such maximum rate. Any interest payment made in excess of such maximum rate shall be applied as, and deemed to be, in the Bank's sole discretion, (a) a payment of any of the Liabilities other than interest, in such manner as determined by the Bank, or (b) cash collateral to be retained by the Bank to secure repayment of this Note. (2) **Increased Rate.** Interest shall accrue at the Increased Rate upon and after (a)

the occurrence of any Debtor Relief Action, or (b) the occurrence of any Event of Default. (3) **Accrual.** To the extent permitted by Law, interest shall accrue at the Applicable Rate on all unpaid Liabilities under this Note, including but not limited to any unpaid interest and any unpaid obligation owed pursuant to paragraph B (Indemnification).

- B. **Indemnification:** To the extent permitted by Law: (1) **Regulatory Costs.** In the event that in connection with the transaction(s) contemplated by this Note and/or the Bank's funding of such transaction(s), the Bank is required to incur any Regulatory Costs in order to comply with any Law issued after the date of this Note, then Borrower shall pay to the Bank on demand, and shall indemnify and hold the Bank harmless from, any and all such Regulatory Costs. (2) **Costs and Expenses.** Borrower shall pay the Bank on demand, and shall indemnify and hold the Bank harmless from, any and all Costs and Expenses. (3) **Bank Certificate.** The Bank's certificate as to any amounts owing under this paragraph shall in the absence of manifest error or bad faith be prima facie evidence of Borrower's obligation.

- C. **Set-Off:** Every Account of Borrower shall be subject to the Bank's lien and Security Interest, which Borrower grants to Bank, and to being set off against the Liabilities. The Bank may at any time at its option and without notice, except as may be required by law, hold, set off, charge, appropriate and/or apply all or any part of any such Account toward the payment of any of the Liabilities.

- D. **Events of Default:** Each of the following shall be an Event of Default hereunder:

(1) **Nonpayment.** The nonpayment when due, at maturity, by acceleration, at the expiration of any applicable grace, notice or cure period or otherwise, of any part of the Liabilities.

(2) **Bankruptcy; Adverse Proceedings.** (a) The occurrence of any Debtor Relief Action; (b) the appointment of a receiver, trustee, committee, custodian, personal representative or similar official for any Party, for any Material Portion of Collateral or for any Material part of any Party's Property; (c) any action taken by any Party to authorize or consent to any action set forth in subparagraph D(2)(a) or (b); (d) the rendering against any Party of one or more judgments,

orders, decrees and/or arbitration awards (whether for the payment of money or injunctive or other relief) which alone or in the aggregate are Material to such Party, if they continue in effect for 30 days without being vacated, discharged, stayed, bonded, satisfied or performed; (e) the issuance or filing of any judgment, warrant, process, order of attachment, seizure, garnishment or other lien, levy, injunction or restraint against any Material Portion of Collateral or any Material part of any Party's Property; (f) the commencement of any proceeding under, or the use of any of the provisions of, any Law against any Material Portion of Collateral or any Material part of any Party's Property, including but not limited to any Law (i) relating to the enforcement of judgments or (ii) providing for forfeiture to, or condemnation, appropriation, seizure or taking possession by, or on order of, any Governmental Authority; (g) the forfeiture to, or the condemnation, appropriation, seizure, or taking possession by, or on order of, any Governmental Authority, of any Material Portion of Collateral or any Material part of any Party's Property.

(3) **Noncompliance.** (a) Any Default under or with respect to any Agreement with or to the Bank; (b) the giving to the Bank by or on behalf of any Party at any time of any materially incorrect or incomplete representation, warranty, statement or information; (c) the failure of any Party to furnish to the Bank, copies of its financial statements and such other information respecting any Collateral or its business, properties, condition or operations, financial or otherwise, promptly when, and in such form as, required or reasonably requested by the Bank; (d) any Party's failure or refusal, upon reasonable notice from the Bank, to permit the Bank's representative(s) to visit and inspect such Party's premises during normal business hours and to examine and make photographs, copies and extracts of any Collateral or of such Party's Property and of its books and records; (e) any Party's concealing, removing or permitting to be concealed or removed, any Collateral or any part of its Property with the intent to hinder or defraud any of its creditors; (f) any Party's making or suffering any Transfer of any Collateral or any of its Property, which Transfer is deemed fraudulent under the law of any applicable jurisdiction; (g) the revocation or early termination of any Party's obligations under any Agreement with or to the Bank (including but not limited to any of the Liabilities), or the validity, binding effect or enforceability of any of such obligations or of any

Collateral being challenged or questioned, whether or not by the institution of proceedings.

(4) Adverse Changes. (a) The occurrence of a Material adverse change in any Party's financial condition; (b) the death or incompetence (if a person) or the dissolution or liquidation (if a corporation, partnership or other entity) of any Party or such Party's failure to be and remain in good standing and qualified to do business in each jurisdiction Material to such Party; (c) any Material Default with respect to any Material Agreement other than with or to the Bank; (d) any Default pursuant to which any Person shall have the power to effect an Acceleration of any Material Debt; (e) any Acceleration or demand of payment with respect to any Material Debt; (f) any Party's becoming insolvent, as defined in the Uniform Commercial Code; (g) the Bank's believing in good faith that the prospect of payment of any of the Liabilities or of performance of any other obligations of any Party to the Bank is materially impaired; (h) the Material suspension of any Party's business; (i) any Party's Material failure to pay any tax when due, unless such tax is being duly, appropriately and diligently contested by such Party in good faith, provided, first, that such Party shall have established on its books and records reserves adequate for such tax in accordance with generally accepted accounting principles and, second, that such failure to pay such tax during such contest shall not give rise to a lien for such tax on a Material part of such Party's property; (j) the expulsion of any Party from any exchange or self-regulatory organization or any loss, suspension, nonrenewal or invalidity of any Party's Material license, permit, franchise, patent, copyright, trademark or the like; (k) the occurrence of any event which gives any Person the right to assert a lien, levy or right of forfeiture against any Material Portion of Collateral or any Material part of any Party's Property; (l) Borrower's failure to give the Bank notice, within ten (10) Business Days after Borrower had notice or knowledge, of the occurrence of any event which constitutes, or with the giving of notice and/or lapse of time would constitute, an Event of Default.

(5) Business Changes. (a) any change in Control of any Party; (b) any acquisition, merger or consolidation involving any Party, unless that Party shall be the surviving entity; (c) any Party's sale or other Transfer of substantially all of its Property; (d) any bulk sale by any Party; (e) any

Material change in the nature or structure of any Party's business; (f) any change in any Party's name without prior notice to Bank.

(6) Additional Collateral Defaults. (a) The nonpayment when due of any payment due on any Material Portion of Collateral; (b) the prohibition by any Law of any payment due or to become due on any Material Portion of Collateral; (c) any impairment of, or of the prospect of payment on, any Material Portion of Collateral or of any right of recourse against, or any release, Agreement not to sue, discharge of or suspension of any right to enforce against, any Person liable on or with respect to any Material Portion of Collateral; (d) the occurrence of any event or series of events or circumstances which impair or evidence the impairment of the prospect of payment or performance of obligations (of any Person and of any type) which constitute a Material Portion of Collateral; (e) the failure by any Owner of Collateral to pay any tax affecting a Material Portion of Collateral promptly when due or to exhibit to the Bank receipts for payment of any such tax promptly on request, unless such tax is being duly, appropriately and diligently contested by such Owner in good faith, provided, first, that such Owner shall have established on its books and records reserves adequate for such tax in accordance with generally accepted accounting principles and, second, that such failure to pay such tax during such contest shall not give rise to a lien for such tax on such Collateral; (f) the failure by any Owner of Collateral to maintain insurance on a Material Portion of Collateral of such types and in such amount(s) as agreed with or required by the Bank or as customarily maintained in such Owner's business; (g) the failure by the Owner of Collateral promptly to furnish such information and documents with respect to the Collateral as the Bank may reasonably request; (h) the failure by the Owner of Collateral to maintain any Material Portion of Collateral in reasonably good repair and working order; (i) the actual or threatened disposition of, or removal from its usual location, or the placement or storage in a new location, of any Material Portion of Collateral without the Bank's written consent; (j) the theft, loss, disappearance, injury or destruction, damage or misuse, to an extent Material in the Bank's judgment, by fire or otherwise, of a Material Portion of Collateral; (k) the Transfer, other than to the Bank, or further encumbrance made or suffered by any Owner of Collateral, of a Material Portion of Collateral without the prior written consent of the Bank; (l)

the institution of any proceeding against a Material Portion of Collateral or against an Owner of a Material Portion of Collateral upon any Security Interest in or claim against such Collateral, whether superior or junior to the Security Interest of the Bank, unless within 30 days the same is dismissed or bonded to the Bank's satisfaction; (m) the occurrence of any event which would permit the holder of any Security Interest superior to the Security Interest of the Bank in a Material Portion of Collateral to declare the principal balance of any obligations secured by the senior Security Interest to be immediately due and payable; (n) the threat, initiation or pendency of any condemnation or eminent domain proceedings regarding a Material Portion of Collateral; (o) the Bank's believing in good faith at any time that the value, represented by the price readily available to the Bank at an immediate sale, of any Material Portion of Collateral has declined below the minimum value for such portion of the Collateral which the Bank in its sole judgment shall deem satisfactory or adequate.

E. Remedies: (1) **Acceleration at Bank's Option.** Upon the occurrence of any Event of Default, then any and all Liabilities not then due shall, at the Bank's option, become immediately due and payable without notice, which Borrower waives. (2) **Automatic Acceleration.** Upon the occurrence of any Debtor Relief Action as to Borrower, then, whether or not any of the Liabilities are payable upon demand and notwithstanding paragraph F, any and all of Borrower's Liabilities not then due shall, to the extent permitted by law, automatically become immediately due and payable without notice or demand, which Borrower waives. (3) **Additional Remedies.** The Bank shall have all rights and remedies available to it under any applicable Agreement or Law, and may do such acts and things as Bank may, in its discretion, deem necessary, appropriate or desirable to collect the Liabilities and to enforce and obtain the benefit of its rights under this Note and/or with respect to the Liabilities. The Bank's rights and remedies shall be cumulative.

F. Waiver of Protest, etc.: Notice, presentment, protest, notice of dishonor and (except for such of the Liabilities as are payable on demand, but subject to subparagraph E(2)) demand for payment are hereby waived as to all of the Liabilities.

G. Payment: (1) **Manner.** Any payment by other than immediately available funds shall be subject to collection. Interest shall continue to accrue until the funds by which payment is made are available to the Bank. If and to the extent any payment of any of the Liabilities is not made when due, the Bank is authorized in its discretion to effect payment by charging any amount so due against any Account of Borrower with the Bank without notice, except as may be required by law, whether or not such charge creates an overdraft. (2) **Application.** Any payment received by the Bank (including a deemed payment under paragraph A, a set-off under paragraph C or a charge against an Account under this paragraph G) shall be applied toward payment of any obligation of indemnification (including but not limited to Borrower's obligations under subparagraphs B (1) and (2)) and to pay any other Liabilities (including interest thereon and the principal thereof) in such order as the Bank shall elect in its discretion. Borrower will continue to be liable for any deficiency. (3) **Prepayment.** Borrower shall be entitled to pay any outstanding principal amount or installment under this Note on any Business Day prior to the applicable Payment Date without the prior consent of the Bank, provided that any such payment shall be together with payment of all Liabilities then due and all interest accrued on the Prepaid Principal to the date of such payment. Any such payment shall, unless otherwise consented to by the Bank, be applied pro rata to the last outstanding principal amount(s) to become due under this Note in inverse order of maturity. (4) **Non-Business Days.** If any payment of any of the Liabilities is due on any day that is not a Business Day, it shall be payable on the next Business Day. The additional day(s) shall be included in the computation of interest. (5) **Extension at Bank's Option.** The Bank shall have the option, which may be exercised one or more times by notice(s) to Borrower, to extend the date on which any amount is payable hereunder to one or more subsequent date(s) set forth in such notice(s).

II. Parties; No Transfer by Borrower: If Borrower is more than one Person, all of them shall be jointly and severally liable under this Note. The obligations under this Note shall continue in force and shall apply notwithstanding any change in the membership of any partnership executing this Note, whether arising from the death or retirement of one or more partners or the accession of one or more new partners. Without the Bank's written consent, Borrower shall have no right to make

any Transfer of any of the Liabilities; any such purported Transfer shall be void. Subject to the foregoing, the provisions of this Note shall be binding on Borrower's executors, administrators, successors and assigns.

- I. **Bank Transfers:** (1) **Disclosures.** The Bank is authorized to disclose to any prospective or actual Transferee any information that the Bank may have or acquire about Borrower and any information about any other Person submitted to the Bank by or on behalf of Borrower. (2) **Negotiability Defenses Waived.** If this Note is not a negotiable instrument, Borrower waives all defenses (except such defenses as may be asserted against a holder in due course of a negotiable instrument) that Borrower may have or acquire against any Transferee who takes this Note, or any complete or partial interest in it, for value, in good faith and without notice that it is overdue or has been dishonored or of any defense against or claim to it on the part of any Person.
- J. **No Oral Changes; No Waiver by the Bank; Partial Unenforceability:** This Note may not be changed, and the liability of any party on it may not be discharged, orally. No failure or delay on the part of the Bank in exercising any of its rights or remedies under this Note or under law, and no partial or single exercise of any of such rights or remedies, shall constitute a waiver of any provision of this Note or of any of such rights or remedies. No waiver of any of the Bank's rights under this Note or under law shall be deemed to be made by the Bank by any future action, course of dealing or otherwise, unless such waiver shall be in writing, duly signed on behalf of the Bank. Each such waiver, if any, shall apply only with respect to the specific instance involved and only to the extent expressly stated, and shall in no way impair the rights or remedies of the Bank or the obligations of Borrower to the Bank in any other respect at that or at any other time. Any provision of this Note which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization, without invalidating the remaining provisions of this Note in that or any other jurisdiction and without affecting the validity, enforceability or legality of such provision in any other jurisdiction.
- K. **Disputes and Litigation:** (1) **Governing Law.** This Note and the rights and duties of the Bank and Borrower hereunder shall be governed by the

internal laws of the State of New York without giving effect to conflict of laws principles. (2) **Jurisdiction, Venue, and Service of Process.** Borrower submits to the nonexclusive jurisdiction of the federal and state courts in the State of New York in New York County with respect to any dispute arising hereunder or relating to any of the Liabilities. Service of process may be made on Borrower by personal delivery at, or by mail addressed to, any address to which the Bank is authorized to address notices to Borrower. (3) **Waiver of Defenses, Set-offs, Counterclaims and Certain Damages.** Borrower waives the right to assert any defense, set-off or counterclaim in any proceeding relating in any way to this Note or any transaction contemplated hereby. Neither the Bank, nor any director, officer, employee, attorney or agent of the Bank, shall be liable to Borrower for any action taken or omitted to be taken in good faith by it or them pursuant to or in connection with this Note, except for its or their own gross negligence or willful misconduct, or, solely to the extent required by law and not waivable, its or their own negligence. In any event, the Bank and its directors, officers, employees, attorneys and agents shall not have any liability for any special, consequential or punitive damages.

- L. **Notices:** Any notice in connection with any of the Liabilities shall be in writing and may be delivered personally or by telefax or other electronic means of communication, or by nationally recognized overnight delivery service, or by registered or certified mail, return receipt requested, addressed (a) to Borrower as set forth herein or to any other address that the Bank believes to be Borrower's address, and (b) to the Bank at 275 Seventh Avenue, New York, New York 10001, Attention: Credit Administration Department. If another address is designated in writing by either the Bank or the Borrower, any such notice shall be addressed to such other address(es) as may be designated. All such notices shall be deemed given when delivered personally or electronically or, if sent by overnight delivery service, one (1) Business Day after delivery, with fees paid or arranged for at sender's expense, to the delivery service or, if mailed, five (5) Business Days after being mailed, postage prepaid, addressed as set forth above, except that notice of change of address, shall be deemed to have been given when received.
- M. **Definitions:** The following definitions apply in this Note: (1) **Acceleration:** any acceleration of

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payment or requirement of prepayment of any Debt, or any Debt's becoming due and payable prior to stated maturity. (2) **Account:** (a) the balance of any account of Borrower with the Bank, (b) any claim of Borrower against the Bank, and/or (c) any property in the possession or custody of, or in transit to, the Bank, whether for safekeeping, collection, pledge or otherwise, as to which Borrower has any right, power or interest - in each case whether existing now or hereafter arising. (3) **Agreement:** any agreement or instrument (including but not limited to this Note), regardless of form and no matter when made, under which any Party is obligated to, conveys any interest (as security or otherwise) to, or makes any warranty or representation to, any Person. (4) **Applicable Rate:** whichever of the Loan Rate or Increased Rate is the applicable interest rate at any time. (5) **Bank:** Amalgamated Bank and any successor or Transferee of the Bank, following and to the extent of any Transfer of this Note. (6) **Base Rate:** the Bank's stated Base Rate as reflected in its books and records as such Base Rate may change from time to time. The Bank's determination of its Base Rate shall be conclusive and final. The Base Rate is a reference rate and not necessarily the lowest interest rate charged by the Bank. (7) **Borrower:** the Person(s) executing this Note at paragraph 9 or any one or more of them. "Borrower" may refer to one or more Persons. (8) **Business Day:** any day on which both (a) banks are regularly open for business in New York City and (b) the Office is open for ordinary business. In the Bank's discretion, the Office may be closed on any Saturday, Sunday, legal holiday or other day on which it is lawfully permitted to close. (9) **Collateral:** any and all Property and fixtures, including but not limited to goods, documents, instruments, contracts, general intangibles, payment intangibles, paper, accounts, securities, inventory, equipment and deposit accounts, all as defined in the New York Uniform Commercial Code, and all insurance and annuity contracts, and any other Property, any of which shall be subject to a lien or Security Interest securing the Liabilities. (10) **Control:** the power, alone or in conjunction with others, directly or indirectly, through voting securities, by contract or otherwise, to direct or cause the direction of a Person's management and policies. (11) **Costs and Expenses:** any and all reasonable costs and expenses (including but not limited to attorneys' fees and disbursements) incurred in connection with the Borrower and/or the Liabilities, including but not limited to those for (a) any

action taken, whether or not by litigation, to collect, or to protect rights or interests with respect to, or to preserve, any Collateral securing, and/or any of, the Liabilities. (b) compliance with any legal process or any order or directive of any Governmental Authority with respect to any Party, (c) any litigation or administrative proceeding relating to any Party, and/or (d) any amendment, modification, extension or waiver with respect to any of the Liabilities. (12) **Debt:** any Party's indebtedness, obligation or liability of any sort (in whole or in part) for the payment of money to any Person, whether (a) absolute or contingent, (b) secured or unsecured, (c) joint, several or independent, (d) now outstanding or hereafter existing arising, incurred or suffered, (e) due or hereafter becoming due, (f) direct or indirect, (g) liquidated or unliquidated, or (h) arising by contract, operation of law or otherwise, and any and all extensions, continuations, renewals and/or modifications of any such indebtedness, obligation or liability. (13) **Debtor Relief Action:** the commencement by any Party or (unless dismissed or terminated within 30 days) against any Party of any proceeding under any law of any jurisdiction (domestic or foreign) relating to bankruptcy, reorganization, insolvency, arrangement, composition, receivership, liquidation, dissolution, moratorium or other relief of financially distressed debtors, or the making by any Party of an assignment for the benefit of creditors. (14) **Default:** any breach, default or event of default under, or any failure to comply with, or any breach of warranty or representation contained in, any provision of any Agreement. (15) **Event of Default:** any event set forth in paragraph D. (16) **Governmental Authority:** any domestic or foreign, national or local, (a) government, (b) governmental, quasi-governmental, governmentally sponsored or regulatory agency, corporation, authority or instrumentality, (c) court, or (d) central bank or other monetary authority. (17) **Increased Rate:** the Increased Rate with respect to the entire outstanding principal balance shall be the Loan Rate plus 4% per year. (18) **Law:** any treaty, law, regulation, rule, judgment, order, decree, guideline, interpretation or request (whether or not having the force of law) issued by, or any contractual requirement of, any Governmental Authority. (19) **Liabilities:** (a) any and all of the Debt evidenced by this Note, and any and all other Debt of Borrower to, or held or to be held by, the Bank in any jurisdiction worldwide for its own account or as agent for another or others, whether created directly or acquired by Transfer

or otherwise, and (b) any and all obligations of any other Party with respect to any of such Debt. (20) **Loan Rate:** the interest rate determined under paragraph 3. (21) **Material:** material to the business or financial condition of any Party on a consolidated or consolidating basis. (22) **Material Portion of Collateral:** any portion of Collateral which is material or not insignificant in the Bank's judgment, in relation to the Liabilities to the Bank of that Collateral's Owner and/or to other Collateral, if any, of that Owner. (23) **Office:** the Bank's office at 275 Seventh Avenue, New York, New York 10001, or such other place as the Bank may specify by notice. (24) **Owner:** any one or more Persons who own an interest in Collateral. (25) **Party:** (a) Borrower; (b) any maker, co-maker or endorser of any Agreement evidencing any of the Liabilities, or any guarantor, surety, accommodation party or indemnitor with respect to any of the Liabilities, or any Person that provides any Collateral as security for any of the Liabilities, or any maker, issuer or guarantor of and any Person otherwise liable on or with respect to any Collateral securing any of the Liabilities, or any Person that issues a subordination, comfort letter, standby letter of credit, repurchase agreement, put agreement, option, other Agreement or other credit support with respect to any of the Liabilities; (c) if any Party is a partnership or joint venture, any general partner or joint venturer in such Party; and (d) any Person (i) that is under the Control of any Party and (ii) whose business or financial condition is Material to such Party. (26) **Payment Date:** any Business Day on which any part of the principal or any installment of this Note becomes due and payable under paragraph 1 (and not on account of an Acceleration). (27) **Person:** any person, partnership, joint venture, company, corporation, unincorporated organization or association, trust, estate, Governmental Authority, or any other entity. (28) **Prepaid Principal:** any amount of principal or any installment of this Note which Borrower pays prior to the applicable Payment Date for such amount. (29) **Property:** any property, whether real, personal or mixed, and whether tangible or intangible. (30) **Regulatory Costs:** any and all costs and expenses of complying with any Law, including but not limited to with respect to (a) any reserves or special deposits maintained for or with, or pledges to, or assessments, insurance premiums or special charges paid to, any Governmental Authority, or (b) any capital, capital equivalency ledger account, ratio of assets to liabilities, risk-based capital assessment or any

other capital substitute, risk-based or otherwise. (31) **Schedule:** a schedule of loans, payments and unpaid principal amounts which, in the Bank's discretion, may be computer generated from time to time or may be in the form of the attached Grid Schedule of Loans and Payments. (32) **Security Interest:** any security interest, assignment as collateral, lien, mortgage, deed of trust, reservation of title or other encumbrance, however denominated, in, on, or with respect to any Property. (33) **Taxes:** any and all present and future taxes, levies, imposts, deductions, charges and withholdings in any jurisdiction worldwide, and all liabilities with respect thereto, which are imposed with respect to this Note or to any amount payable under this Note, excluding taxes determined on the basis of the net income of a Person or of any of its offices. (34) **Transfer:** any negotiation, assignment, participation, conveyance, grant of a security interest, lease, delegation or any other direct or indirect transfer of a complete or partial, legal, beneficial, economic or other interest or obligation. (35) **Transferee:** any Person to whom a Transfer is made. (36) **Variable Rate:** a variable interest rate as determined under paragraph 3.

N. **Captions:** Captions are included in this Note for reference purposes only and shall not be deemed to modify or interpret the text of this Note.

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AGREED TO:

American Federation of State, County
& Municipal Employees PEOPLE, Qualified

(Signature) By: 

[Seal]

Print name: Gerald W. McEntee

Title or capacity: Chairman

(if signing on behalf of Borrower) _____

FORM FOR USE WHEN ACKNOWLEDGMENT IS TAKEN OUTSIDE NEW YORK STATE

DISTRICT OF COLUMBIA,)

On the 24th day of January, in the year 2008, before me the undersigned, personally appeared Gerard W. McEntee, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument on behalf of American Federation of State, County & Municipal Employees PEOPLE, Qualified, the unincorporated association described in and which executed the foregoing document acknowledged to me that he executed the same in his capacity, that by his signature on the instrument, the person upon behalf of which the individual acted executed the instrument, and that such individual made such appearance before the undersigned in Washington, D.C.

Signature: 

Office of individual taking Acknowledgment: _____

Notary Public

District of Columbia

[Official Seal/Stamp]

My Commission Expires
June 14, 2009

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[illegible]

Federal Election Commission
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JSE PREPARER	6/24/08 DATE PREPARED

(3/2005)

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