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## **Automotive Industry Financing Program Chrysler LB Receivables Trust Secured Term Loan Summary of Terms (Chrysler Financial Term Sheet)**

U. S. Department of the Treasury

Chrysler Financial Services Americas LLC

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**Automotive Industry Financing Program**

**CHRYSLER LB RECEIVABLES TRUST  
Secured Term Loan**

**Summary of Terms**

- Borrower:** Chrysler LB Receivables Trust (the “Borrower”).
- Lender:** United States Department of the Treasury (the “Lender”).
- Guarantor:** Chrysler Holding LLC, as guarantor only of certain covenants of Chrysler Financial Services Americas LLC (“Chrysler Financial”) relating to restrictions on dividends and distributions
- Maximum Loan Amount:** \$1.5 billion (the “Loan”).
- Closing Date:** January 16, 2009
- Interest:** One month LIBOR plus the applicable spread amount, payable monthly in arrears on the 17th of each month. The applicable spread amount is 1.0% during the first year of the term and 1.5% during each of the remaining years.
- Payment of Principal:** Principal will be paid monthly from cash collections remaining after payment of fees and interest.
- Term:** Five (5) year term loan, with full repayment of any remaining principal and accrued but unpaid interest on January 16, 2014.
- Purpose:** Borrower shall use the Loan to fund retail loans made by Chrysler Financial on or after January 1, 2009 to enable the purchase of Chrysler automobiles (each, an “Auto Loan”, and collectively, the “Auto Loans”).
- Borrower shall establish a deposit account (the “Funding Account”) at a financial institution acceptable to Lender into which Borrower shall deposit the Loan proceeds. Subject to certain conditions, funds may be withdrawn from the Funding Account as needed to purchase Auto Loans at the agreed advance rate percentage of the outstanding principal balance, subject to adjustment to compensate for below-market auto loan interest rates. The Auto Loans must meet certain geographic, credit quality and other standard overconcentration limits for transactions of this type.
- The Auto Loans will be serviced by Chrysler Financial, which will also act as Administrator of the Borrower’s Auto Loan program.
- Borrower shall also establish a deposit account (the “Collection”

Account”) at a financial institution acceptable to Lender into which Borrower shall deposit any interest, principal or other proceeds or payments received on or in respect of the Auto Loans (the “Auto Loan Proceeds”). Any use of funds in the Funding Account or the Collection Account in contravention of the loan shall be an event of default. Upon any event of default, Lender shall have sole and absolute control over all funds in the Funding Account and the Collection Account.

If Borrower elects to sell the Auto Loans to another securitization vehicle, it must prepay the Loan in full.

**Transferability of Auto Loans:**

Borrower shall not transfer, sell or assign any Auto Loan without the consent of the Lender unless it pays all obligations owed to the Lender in full.

**Security:**

An Indenture Trustee will hold, for the benefit of the holders of notes issued under the Indenture, perfected first-priority liens on all existing and after-acquired property (tangible and intangible) of the Borrower, including but not limited to (i) all funds in the Funding Account and the Collection Account, and (ii) all Auto Loans.

**Class A Notes:**

The Loan will be evidenced by Class A Notes issued under the Indenture. The Class A Notes will be subject to the payment priorities set forth below.

**Class C Notes:**

Chrysler Financial may arrange for supplemental subordinated loans to the Borrower in an amount up to the overcollateralization of the Borrower. The holders of these loans will receive Class C Notes issued under the Indenture in an aggregate principal amount equal to the funding they provide. Class C Notes will accrue interest and will be subject to the payment priorities set forth below.

**No Additional Debt:**

The Borrower may not incur any additional debt, other than the Class C Notes, without consent of Lender, which consent shall be in the sole and absolute discretion of Lender.

**Payment Priorities:**

Collections received by the Borrower with respect to the Auto Loans will be applied first to pay certain trustee, servicing and hedge costs, then to pay interest, fees and costs on the Class A Notes, the Class B Notes, and the Class C Notes, in that order, and then to pay in full principal on the Class A Notes, the Class B Notes, and the Class C Notes, in that order. No principal may be paid on the Class C Notes until the Class A Notes and the Class B Notes have been paid in full. No principal may be paid on the Class B Notes until the Class A Notes have been paid in full.

**Prepayment:**

Borrower may prepay the Loan at any time in accordance with the loan documents, without premium or penalty, provided that the Borrower provides Lender with two business days written notice of Borrower’s intention to prepay the Loan.

**Events of Default:**

The Loan documents shall include events of default that are standard for transactions of this type, including the following, subject to specified cure periods:

- (1) Any failure by the Borrower to make any scheduled payment of interest or principal;
- (2) Any violation by the Borrower of any representation or warranty contained in the loan documents;
- (3) Any material failure by the Borrower to comply with any covenant or agreement in the loan documents;
- (4) Impairment of security interests granted by the loan documents; and
- (5) The occurrence of an event of bankruptcy with respect to the Borrower.

**Guarantee:**

Chrysler Holding LLC (“Holding”) shall guarantee payment to the Lender only of any amounts paid to Holding by Chrysler Financial in violation of certain dividend and distribution restrictions in the facility documents.

**Executive Compensation:**

Until such time as the obligations owing to the Lender under the loan documents are no longer outstanding, Chrysler Financial shall comply with the following restrictions on executive privileges and compensation, subject to agreed upon exceptions:

- (A) Chrysler Financial shall take all necessary action to ensure that its Benefit Plans with respect to the Senior Executive Officers comply in all respects with Section 111(b) of the EESA, including the provisions for the Capital Purchase Program, as implemented by any guidance or regulation thereunder that has been issued and is in effect as of the Closing Date, including the rules set forth in 31 CFR Part 30 and the provisions prohibiting severance payments to Senior Executive Officers, and shall not adopt any new Benefit Plan with respect to its Senior Executive Officers that does not comply therewith;
- (B) Chrysler Financial shall comply in all respects with the limits on annual executive compensation deductibles imposed by Section 162(m)(5) of the Code, as applicable;
- (C) Chrysler Financial shall reduce by 40.00% the aggregate amount of bonus compensation that may be paid to Senior Executive Officers or Senior Employees in fiscal year 2009 from the aggregate bonus compensation actually paid to such employees in 2007, subject to certain adjustments;
- (D) Chrysler Financial shall not adopt or maintain any compensation plan that would encourage manipulation of its reported earnings to enhance the compensation of any of its employees; and
- (E) Chrysler Financial shall maintain all suspensions and other

restrictions of contributions to Benefit Plans that are in place or initiated as of the closing date.

Until such time as the obligations owing to the Lender under the loan documents are no longer outstanding, the Lender shall have the right to require Chrysler Financial to claw back any bonuses or other compensation, including golden parachutes, paid to any Senior Employees in violation of any of the foregoing.

**Summary of Warrant Terms:**

In lieu of warrants, the Lender will receive as additional consideration Class B Notes issued under the Indenture. The Class B Notes will have the same terms and maturity date as the Class A Notes, subject to the payment priorities set forth above. The Lender will receive Class B Notes in the aggregate principal amount of 5% of the Maximum Loan Amount (20% of such amount to vest on the Closing Date, and 20% to vest on each succeeding anniversary of the Closing Date on which any portion of the Loan remains outstanding).