



January 28, 2011

Ms. Paula Tilsley
Executive Director
City of Cincinnati Retirement System
801 Plum Street, Room 240
Cincinnati, OH 45202-5705

Re: Securities Lending Agreement by and between **the Board of Trustees of the Cincinnati Retirement System (the "Committee")**, as plan administrator and on behalf of the Cincinnati Retirement System (the "Lender") and **THE BANK OF NEW YORK MELLON**, [formerly known as The Bank of New York] [successor by operation of law to Mellon Bank, N.A.] ("BNYM"), dated as of June 18, 2003 (the "Agreement")

Dear Ms. Tilsley,

As previously announced, in order to reduce the impact of the Loss (as defined below) related to securities of Lehman Brothers Holdings Incorporated held in your securities lending cash collateral account as of the date hereof (the "Lehman Assets"), BNYM is making available to **CINCINNATI RETIREMENT SYSTEM** the following loss sharing arrangement.

For purposes hereof:

(a) "Amortized Cost Value" shall mean as of the relevant time of determination, the value as determined using the "amortized cost method" in accordance with Rule 2a-7 promulgated under the Investment Company Act of 1940, as amended.

(b) "BNYM Contribution" shall mean the amount payable, if any pursuant to Paragraph Number 1 below.

(c) "Disposition" of the Lehman Assets shall mean, and shall be deemed to occur upon, (i) the final receipt of Proceeds by BNYM in respect of the sale or other final liquidation or disposition of the Lehman Assets by BNYM in its sole judgment and discretion; or (ii) the final payment of Proceeds in respect of the Lehman Assets that results from, or occurs in connection with, the discharge of the issuer of the Lehman Assets from liability in respect of such Lehman Assets by a court of competent jurisdiction over the matter (as described in the Clause (ii), a "Judicial Disposition").

(d) "Lehman Support Condition" shall mean that the Client shall continue to make Lendable Securities of the Client available to BNYM for lending pursuant to the Agreement in a manner, volume and to an extent that is not less than seventy-five percent (75%) of Client's Lendable Securities, measured by aggregate market value of the portfolio of Client's Lendable Securities as determined by BNYM in its sole judgment and discretion.

(e) "Lendable Securities" shall mean, as of any date of determination, the entire portfolio of securities then held by the Client which are, customarily and in the normal course, susceptible of being made available for securities lending transactions pursuant to the Agreement.

(f) "Loss" shall mean the difference between (i) Amortized Cost Value of the Lehman Assets as of January 1, 2009; and (ii) the Proceeds (as defined below) realized upon Disposition of the Lehman Assets as provided herein.

(g) "Proceeds" shall mean the amount of all cash and/or the market value of all non-cash securities (as determined by BNYM in good faith) received by BNYM in respect of the Lehman Assets upon Disposition thereof or, in the event that the Lehman Assets of Client are transferred from the Client's securities lending cash collateral account to the Client or otherwise at the Client's request or direction, prior to the date of Disposition thereof (a "Client Transfer"), an amount equal to the amount of all cash and/or the market value of all non-cash securities that Client would have received in respect of such Lehman Assets upon a Judicial Disposition thereof had such Client Transfer not occurred (all as determined by BNYM in good faith). (In the event that any non-cash proceeds could have been received as a result of an election made between cash Proceeds and such non-cash Proceeds, the market value of all such non-cash Proceeds for purposes hereof shall be deemed to be equal to the amount of the cash Proceeds as was otherwise available by such election.).

Subject to the satisfaction of the Lehman Support Condition until the earlier of (i) the Disposition date; or (ii) January 1, 2012, and subject to the further terms and conditions outlined below, BNYM will share in the Losses realized by **CINCINNATI RETIREMENT SYSTEM** as a result of securities lending cash collateral investment(s) in the Lehman Assets up to, and in accordance with, the following:

1. Within [three] business days of the date of Disposition (the "Payment Date") BNYM will contribute to the Client's securities lending cash collateral account (or directly to Client to the extent that the Client is no longer then participating in the Program and has previously fully funded the Loss):
 - (a) if the Disposition date occurs prior to January 1, 2012, an amount equal to such percentage of the Loss as is identical to the percentage of BNYM's entitlement to net securities lending revenue as set forth in the Agreement as of September 12, 2008; or
 - (b) if the Disposition date occurs after January 1, 2012; and
 - (i) the Lehman Support Condition shall be continuously satisfied from and after January 1, 2012 until the Disposition date, an amount equal to such percentage of

the Loss as is identical to the percentage of BNYM's entitlement to net securities lending revenue as set forth in the Agreement as of September 12, 2008; or

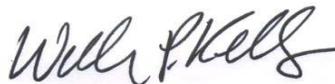
(ii) the Lehman Support Condition shall not have been continuously satisfied from and after January 1, 2012 until the Disposition date, an amount equal to the lesser of (i) such percentage of the Loss as is identical to the percentage of BNYM's entitlement to net securities lending revenue as set forth in the Agreement as of September 12, 2008; and (ii) the aggregate amount of the net securities lending revenue received by BNYM pursuant to the Agreement for the period from January 1, 2009 to the Disposition date.

To the extent that any portion of the BNYM Contribution amount has been deposited or otherwise credited to the Client's securities lending cash collateral account by BNYM in its sole discretion prior to the Payment Date, the amount of the payment required by BNYM on the Payment Date pursuant hereto shall be reduced by the amount of such prior deposit or credit.

2. Notwithstanding any other provision hereof, as a further condition to the BNYM Contribution, BNYM will continue to manage the Client's cash collateral investment portfolio from the date hereof until January 1, 2012 and may sell, or otherwise dispose of, Client's interest in the Lehman Assets at BNYM's sole discretion during such time.
3. Notwithstanding any actions the Client may take with respect to the portion of the Losses for which the Client remains responsible, (e.g., creation of reserves from, or contributions of, Client's periodic securities lending earnings, etc.) at any time prior to the Disposition of the Lehman Assets, BNYM shall not be obligated to make any payment in respect of the BNYM Contribution prior to the Payment Date.
4. BNYM shall have no liability or obligation for the payment or remittance of the BNYM Contribution except as, when, and in the manner, specifically provided in this letter. Without limiting the generality of the foregoing and notwithstanding any other provision hereof, BNYM shall not be obligated to make any payment, in whole or in part, in respect of the BNYM Contribution or otherwise in respect of the Lehman Assets or any Loss unless and until the Lehman Support Condition shall have been satisfied.
5. If at any time the aggregate value of cash Collateral held by BNYM in respect of loans of the Client's securities to a Borrower is insufficient to satisfy the obligation to return the full amount owed to the Borrower ("Collateral Insufficiency"), the Client shall continue to be solely responsible for such Collateral Insufficiency including, without limitation, any such Collateral Insufficiency occurring prior to the payment by BNYM of the BNYM Contribution, or remaining after, the payment of the BNYM Contribution, as the case may be. The Client hereby agrees to remit the amount of any Collateral Insufficiency to BNYM immediately upon BNYM's request; provided, however, that if such amounts are not so remitted, BNYM is hereby authorized to obtain the amount of any such Collateral Insufficiency directly from any account of the Client maintained with BNYM or any affiliate of BNYM except to the extent prohibited by applicable law.

If the foregoing correctly reflects your understanding, please indicate your acceptance hereof by countersigning this letter and returning a countersigned duplicate to the undersigned. Please contact me should you have any questions or wish to discuss.

Very truly yours,



William P. Kelly
Managing Director

Acknowledged and agreed to this ___ day of _____ 2011
by **the Board of Trustees of the Cincinnati Retirement System (the "Committee")**, as plan administrator and on behalf of the Cincinnati Retirement System

By: _____
Name: _____
Title _____