FORM 8-K

Current report filing

Filing Date: **2013-01-28** | Period of Report: **2013-01-22**
SEC Accession No. 0001140361-13-003353

(HTML Version on secdatabase.com)

FILER

PROSPER MARKETPLACE INC
CIK:**1416265**| IRS No.: **731733867** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **333-147019** | Film No.: **13551477**
SIC: **6199** Finance services

Mailing Address
111 SUTTER STREET
22ND FLOOR
SAN FRANCISCO CA 94104

Business Address
111 SUTTER STREET
22ND FLOOR
SAN FRANCISCO CA 94104
415-593-5400

Prosper Funding LLC
CIK:**1542574**| IRS No.: **454526070** | State of Incorp.:**DE** | Fiscal Year End: **1212**
Type: **8-K** | Act: **34** | File No.: **333-179941** | Film No.: **13551476**
SIC: **6199** Finance services

Mailing Address
112 SUTTER ST, FL 22
SAN FRANCISCO CA 94104

Business Address
112 SUTTER ST, FL 22
SAN FRANCISCO CA 94104
415-593-5400

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 22, 2013

Prosper Funding LLC	**Prosper Marketplace, Inc.**
(Exact name of registrant as specified in its charter)	(Exact name of registrant as specified in its charter)
45-4526070	**73-1733867**
(I.R.S. Employer Identification Number)	(I.R.S. Employer Identification Number)

Delaware
(State or other jurisdiction of incorporation or organization)

6199
(Primary Standard Industrial Classification Code Number)

111 Sutter Street, 22nd Floor
San Francisco, CA 94104
(415) 593-5400
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Registrant's telephone number, including area code: **(415) 593-5400**

Not applicable.
(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

Asset Transfer Agreements

On January 22, 2013, Prosper Funding LLC ("Prosper Funding") and Prosper Marketplace, Inc. ("PMI") entered into a series of agreements that will result in PMI transferring the Prosper peer-to-peer lending platform to Prosper Funding, effective February 1, 2013. These agreements are described below. Copies of these agreements are attached as exhibits to this Current Report on Form 8-K.

Asset Transfer

On January 22, 2013, Prosper Funding and PMI entered into an Asset Transfer Agreement (the "Asset Transfer Agreement") pursuant to which PMI will (i) transfer the platform and substantially all of PMI's assets and rights related to the operation of the platform to Prosper Funding and (ii) make a cash contribution to Prosper Funding of between $3 million and $6 million. Under the Asset Transfer Agreement, PMI will also transfer substantially all of its remaining assets to Prosper Funding, including (i) all outstanding PMI Notes issued by PMI under the Indenture (the "Indenture") dated June 15, 2009 between PMI and Wells Fargo Bank, as trustee (the "Trustee"), (ii) all borrower loans held by PMI (the "PMI Borrower Loans"), (iii) all lender/borrower/group leader registration agreements related to the PMI Notes or the PMI Borrower Loans, and (iv) all documents and information related to the foregoing. The transfer of assets under the Asset Transfer Agreement is referred to as the "Asset Transfer." Certain hardware and agreements relevant to the development, maintenance and use of the platform, including in relation to the origination, funding and servicing of borrower loans, and the issuance, funding and payment of the Notes, will not be transferred or assigned to Prosper Funding by PMI.

In the Asset Transfer Agreement, PMI agreed, among other things, to:

- fund any repurchase obligation with respect to the PMI Notes, and indemnify Prosper Funding for any other losses that arise out of any lender/borrower/group leader registration agreement related to the PMI Notes or the PMI Borrower Loans, including as a result of a breach by PMI of any of its representations or warranties made therein;
- fund any arbitration filing or administrative fees or arbitrator fees payable under any lender/borrower/group leader registration agreement related to the PMI Notes or the PMI Borrower Loans; and
- fund any indemnification obligations that arise under any group leader registration agreement entered into by PMI prior to the date of the Asset Transfer.

PMI will continue to service the PMI Borrower Loans pursuant to the Administration Agreement between PMI and Prosper Funding. Under the Administration Agreement, PMI agreed, among other things, to use commercially reasonable efforts to service and collect the PMI Borrower Loans and will indemnify Prosper Funding for any losses as a result of its breach of such obligation. Holders of the PMI Notes will be third party beneficiaries under the Asset Transfer Agreement and the Administration Agreement.

Supplemental Indenture and Amended and Restated Indenture

Under Section 4.1 of the Indenture, PMI may transfer substantially all of its assets to any person without the consent of the holders of the PMI Notes, provided that the transferee expressly assumes all of PMI's obligations under the Indenture and the PMI Notes. In that case, the transferee will succeed to and be substituted for PMI, and PMI will be discharged from all of its obligations and covenants, under the Indenture and the PMI Notes.

Accordingly, on January 22, 2013, Prosper Funding, PMI and Wells Fargo Bank, National Association, as trustee, entered into a supplemental indenture (the "Supplemental Indenture") to PMI's existing indenture that will, effective February 1, 2013 (i) effect such assumption, substitution and discharge (the "Note Assumption"), and (ii) amend and restate the Indenture to reflect the Note Assumption and to make certain other amendments to the Indenture as permitted therein (the "Amended and Restated Indenture"). Following the Note Assumption, Prosper Funding will be the obligor with respect to the PMI Notes and the Indenture, and PMI will no longer have any obligations with respect thereto. The Supplemental Indenture and the Amended and Restated Indenture (which includes the form of Note) are attached as exhibits to this Current Report on Form 8-K.

Under the Amended and Restated Indenture, if an event of default occurs with respect to a series of Notes due to a reason other than bankruptcy, insolvency or reorganization, then, upon notification by the Trustee or by holders of at least 25% in aggregate principal amount of the outstanding Notes of such series, the stated principal amount of such series of outstanding Notes and all interest accrued

thereon shall become due and payable immediately. For a more complete discussion of the terms of the Amended and Restated Indenture, see the Registration Statement on Form S-1 filed by Prosper Funding and PMI (SEC File No. 333-179941 and 333-179941-01).

Prosper Funding has not engaged in any other transactions with its directors, executive officers, holders of more than 5% of its voting securities, or immediate family members or other affiliates of its directors, executive officers or 5% stockholders.

In connection with the entry into the Asset Transfer Agreement, the Supplemental Indenture and the Amended and Restated Indenture, Prosper Funding and PMI finalized and executed versions of other agreements relating to the transfer of the platform that have been previously filed by Prosper Funding and PMI, including the Administration Agreement between Prosper Funding and PMI; three agreements between Prosper Funding, PMI and FOLIOfn Investments, Inc.: an Amended and Restated Services Agreement, Amended and Restated Hosting Services Agreement and an Amended and Restated License Agreement; one agreement between Prosper Funding, PMI and Webbank: a Second Amended and Restated Loan Sale Agreement; and two agreements between PMI and Webbank: a Second Amended and Restated Loan Account Program Agreement and a Stand By Loan Purchase Agreement. Each of these executed agreements is filed as an exhibit to this Form 8-K, along with an amendment to Prosper Funding's operating agreement dated January 10, 2013.

Recapitalization and Management Changes

As previously disclosed, on January 15, 2013, PMI entered into a Stock Purchase Agreement (the "Purchase Agreement") with certain new investors and certain of its existing investors (each, a "Share Purchaser" and, collectively, the "Share Purchasers"), pursuant to which PMI issued and sold to such Share Purchasers (either directly or through certain of their respective affiliates) 138,681,680 shares of PMI's Series A Preferred Stock (the "Shares") for an aggregate purchase price of $20 million. The Share Purchasers included: SC Prosper Holdings LLC, Merlin Acorn, LP, Draper Fisher Jurvetson, TomorrowVentures 2010 Fund, LLC, QED Fund I, L.P. and Eric & Erica Schwartz Investments LLC.

Under the terms of the Shares, the Share Purchasers have the right to convert the Shares into PMI common stock at any time. In addition, the Shares automatically convert into common stock (i) immediately prior to the closing of an IPO that values PMI at least at $200 million and that results in aggregate proceeds to PMI of at least $40 million or (ii) upon a written request from the holders of at least 70% of the voting power of the outstanding preferred stock (on an as-converted basis). In addition, if a holder of the Shares has converted any of the Shares, then all of such holder's shares of Series A-1 Preferred Stock also will be converted upon a liquidation event. In lieu of any fractional shares of common stock to which a holder would otherwise be entitled, PMI shall pay such holder cash in an amount equal to the fair market value of such fractional shares, as determined by PMI's Board of Directors (the "Board"). At present, the Series A Preferred Stock converts into PMI common stock at a 1:1 ratio while the Series A-1 Preferred Stock converts into PMI common stock at a 1,000,000:1 ratio.

In connection with that sale, PMI also issued 51,171,951 shares at the par value $0.001 per share of Series A-1 convertible preferred stock (Series A-1 Preferred Stock) to certain previous holders of PMI's preferred stock who participated in the sale. The Series A-1 shares established certain liquidation rights, have no voting rights and are convertible into one share of PMI common stock for every one million shares of Series A-1. PMI allocated the fair value of the shares of Series A-1 Preferred Stock at the par value of $.001 per share from the proceeds of Series A. Upon issuance of PMI Series A and Series A-1 Preferred Stock, all of PMI's preferred stock existing prior to such issuance was converted into PMI common stock at a 1:1 ratio if the holder of the preferred stock participated in this offering or at a 10:1 ratio if the holder of the preferred stock did not so participate.

As a result of the recapitalization described above, there have been substantial changes to the management team at PMI, as well as to PMI's capital structure. These changes are discussed below.

Management of Prosper Marketplace, Inc. Following the Recapitalization

The following table sets forth information about PMI's executive officers and directors as of the date of this report:

Name	Age	Position(s)
Stephan P. Vermut	66	Director and Chief Executive Officer
Sachin D. Adarkar	46	General Counsel and Secretary
Kirk T. Inglis	46	Chief Operating Officer
Daniel P. Sanford	56	Senior Vice President, Finance
Scott Strait	57	Chief Technology Officer
Pat Grady	30	Director

Stephan P. Vermut, age 66, has been appointed to serve as PMI's Chief Executive Officer and elected to serve on PMI's Board, effective as of January 22, 2013. Mr. Vermut most recently served as Managing Director, Head of Prime Services at Wells Fargo Prime Services, LLC (formerly Merlin Securities, LLC). Mr. Vermut founded and served as Chairman of the Board, Chief Executive Officer and Managing Partner of Merlin Securities, LLC until it was acquired by Wells Fargo Securities in 2012. Mr. Vermut served as President and Chief Executive Officer of Montgomery/Bank of America Prime Brokerage from 1995 to 2003. Prior to that, Mr. Vermut was a Partner of Furman Selz in New York and Managing Director of the Prime Brokerage Division of Furman Selz. Mr. Vermut has over 35 years of Wall Street experience, which includes 11 years in institutional sales at L.F. Rothschild & Co. Mr. Vermut received a B.S. in Business Administration from Babson College. PMI believes that Mr. Vermut's financial and business expertise, including his background of founding, managing and directing financial and technology-enabled service companies, give him the qualifications and skills to serve as a Director and Chief Executive Officer.

Sachin D. Adarkar has served as PMI's General Counsel since August 2009. Mr. Adarkar is also Secretary and a director of Prosper Funding. Prior to joining PMI, Mr. Adarkar was at the law firm of Sonnenschein, Nath & Rosenthal LLP in Palo Alto, CA from 2007 until 2009. Prior to joining Sonnenschein, Mr. Adarkar served as Vice President and Deputy General Counsel of GreenPoint Mortgage Funding, Inc, a wholesale mortgage lender in Novato, CA, from 2003 until 2007. Prior to joining GreenPoint, Mr. Adarkar spent several years practicing with the law firms of Gibson Dunn & Crutcher LLP and Howard Rice Nemerovski Canady Falk & Rabkin, both in San Francisco, and also served as Vice President and General Counsel of Valley Media, Inc., a music and video distributor. Mr. Adarkar has a J.D. from UCLA, an M.A. from the University of California at Berkeley and a B.A., *cum laude*, from Georgetown University.

Kirk T. Inglis has served as PMI's Chief Operating Officer since June 2009. Mr. Inglis is also Vice President and a director of Prosper Funding. From 2006 to June 2012, Mr. Inglis served as PMI's Chief Financial Officer. Prior to joining PMI, in 2006, Mr. Inglis worked as a consultant for Wells Fargo Bank, N.A., consulting on the effectiveness of their online marketing program. From 1994 to

2003, Mr. Inglis served in various positions with Providian Financial Corporation. At Providian, Mr. Inglis served as President of First Select Corporation, the largest purchaser of charged-off credit card debt in the United States, from 2000 to 2001. In addition, he served as Chief Financial Officer of GetSmart.com following its acquisition by Providian in 1999. Mr. Inglis also developed the financial planning and control infrastructure for Providian Financial Corporation following the spin-off from its parent company in 1996. Mr. Inglis holds an M.B.A. from Memphis State University and a B.A. from the University of Texas at Austin.

Daniel P. Sanford has served as PMI's Senior Vice President, Finance since December 2011. Mr. Sanford is also Treasurer of Prosper Funding. Prior to joining PMI, Mr. Sanford co-founded and served as the Chief Financial Officer of a consumer homeowner financial services company, Home Value Protection, Inc., from 2010 to 2011. From 2005 to 2010, Mr. Sanford served as Senior Vice President, Controller of Washington Mutual Card Services ("*WaMu*"), which was subsequently purchased by J.P. Morgan. While at WaMu and J.P. Morgan, Mr. Sanford was responsible for accounting and financial reporting activities, and was a leader in the structuring of various securitization trust transactions. From 1992 to 2005, Mr. Sanford served in various financial management leadership positions at Providian Financial Services ("*Providian*"), including Controller. While Controller at Providian, Mr. Sanford was responsible for managing all financial reporting and accounting aspects of the business. Mr. Sanford holds a B.S. degree in Accounting and Finance from the University of California, Berkeley.

Scott Strait has served as PMI's Chief Technology Officer since December 2012. Prior to joining PMI, Mr. Strait served as the Chief Technology Officer at Aria Retirement Solutions and Chief Information Officer at Renewable Funding, from 2009 to 2012. From 1996 to 2009, Mr. Strait served as Chief I Officer at Renewable Funding. Mr. Strait served as Senior Vice President, Individual Investor Technology of Charles Schwab & Co. Inc. ("*Schwab*") from 2007 to 2009, as Chief Technology Officer of Schwab from 2004 to 2007, as Senior Vice President Core Brokerage Solutions of Schwab from 2003 to 2004, as Senior Vice President, Schwab Institutional Technology of Schwab from 2002 to 2003, as Vice President, Schwab Institutional Technology of Schwab from 1999 to 2002, and as Director, Schwab Institutional Technology of Schwab from 1996 to 1999. Mr. Strait holds a Ph.D. in Engineering-Economic Systems from Stanford University, an M.B.A. from Lehigh University, and a B.S. in Civil Engineering from Lehigh University.

Patrick W. Grady has served as one of PMI's directors since January 2013. Mr. Grady has been a non-managing member of Sequoia Capital, a private investment partnership, since March 2007. Prior to joining Sequoia Capital, Mr. Grady was an associate at Summit Partners from July 2004 to February 2007. Mr. Grady holds a B.S. in Economics and Finance from Boston College. PMI believes that Mr. Grady's experience as a venture capital investor with a focus on financial technologies and his overall management experience, give him the qualifications and skills to serve as a director.

Principal Security Holders of PMI following the Recapitalization

The following table sets forth information regarding the beneficial ownership of PMI's common stock as of January 23, 2013, by:

- each of PMI's directors;
- each of PMI's named executive officers;
- each person, or group of affiliated persons, who is known by PMI to beneficially own more than 5% of PMI's common stock; and
- all of PMI's directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include shares of common stock issuable upon the exercise of stock options or warrants that are immediately exercisable or exercisable within 60 days after January 23, 2013. Except as otherwise indicated in the footnotes to the table below, all of the shares reflected in the table are shares of common stock and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information is not necessarily indicative of beneficial ownership for any other purpose.

Percentage ownership calculations are based on 64,919,447 shares of common stock outstanding as of January 23, 2013. Each share of PMI preferred stock is convertible at any time at the discretion of the holder. Shares of PMI's Series A Preferred Stock convert into shares of PMI common stock at a ratio of 1 to 1. Shares of PMI's Series A-1 Preferred Stock convert into shares of PMI common stock at a ratio of 1,000,000 to 1.

In computing the number of shares of common stock beneficially owned by a person or entity and the percentage ownership of that person or entity, PMI deemed outstanding all shares of common stock subject to options and warrants held by that person or entity that are currently exercisable or exercisable within 60 days of January 23, 2013. PMI did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Beneficial ownership representing less than 1.0% is denoted with an asterisk (*). Except as otherwise indicated in the footnotes to the table below, addresses of named beneficial owners and officers are in care of Prosper Marketplace, Inc., 111 Sutter Street, 22nd Floor, San Francisco, CA 94104.

Name of Beneficial Owner	Total Beneficial Ownership	
	Number of Shares	Beneficial Ownership Percentage
	2013	2013
Officer and Directors		
Christian Larsen (2)	4,094,277	6.11%
Daniel Sanford (3)	100,209	*
Dawn Lepore (4)	224,063	*
Joseph Toms (5)	409,552	*
Kirk Inglis (6)	715,974	1.09%
Stephan Vermut (7)	6,934,084	9.65%
All directors and executive officers as a group (8)	12,702,222	16.80%
5% Shareholders		
Accel Partners (9)	38,421,384	37.18%
Agilus Ventures (10)	12,024,125	15.63%
Benchmark Capital Partners (11)	4,771,103	6.85%
Crosslink Capital (12)	7,253,301	10.05%
DAG Ventures (13)	8,680,986	11.79%
Draper Fisher Jurvetson (14)	12,088,840	15.70%
IDG Capital Partners (15)	38,421,384	37.18%
Meritech Capital Partners (16)	8,680,987	11.79%
Sequoia Capital (17)	69,340,840	51.65%

(1) As of January 23, 2013, there were 64,919,447 shares of common stock outstanding. If all preferred stock, warrants and options were converted into shares of common stock, there would be 217,801,104 shares of common stock outstanding as of January 23, 2013. On a fully diluted as-converted basis, PMI's officers, directors and 5% shareholders would own the following percentages of PMI's stock, as of January 23, 2013:

- Christian A. Larsen: 1.88%
- Daniel Sanford: 0.05%
- Dawn Lepore: 0.10%
- Joseph Toms: 0.19%
- Kirk T. Inglis: 0.33%
- Stephan Vermut: 3.18%
- All directors and executive officers as a group: 5.83%
- Accel Partners: 17.64%
- Agilus Ventures: 5.52%
- Benchmark Capital Partners: 2.19%
- Crosslink Capital: 3.33%
- DAG Ventures: 3.99%
- Draper Fisher Jurvetson: 5.55%
- IDG Capital Partners: 17.64%
- Meritech Capital Partners: 3.99%
- Sequoia Capital: 31.84%

(2) Consists of 2,000,662 shares of common stock held by the Larsen-Lam Family Trust, of which Mr. Larsen is a trustee, and 2,093,615 shares of common stock issuable upon the exercise of stock options held by Mr. Larsen. Mr. Larsen has voting and investment power over the shares held by the Larsen Lam Family Trust. On March 15, 2012, Christian A. Larsen resigned as President and Chief Executive Officer of PMI. On January 14, 2013, Christian A. Larsen resigned from PMI's Board.

(3) Consists of 100,209 shares of common stock issuable upon the exercise of stock options held by Daniel Sanford.

(4) Consists of 224,063 shares of common stock issuable upon the exercise of stock options held by Dawn Lepore. On January 22, 2013, Dawn Lepore resigned as PMI's acting President and Chief Executive Officer.

(5) Consists of 409,552 shares of common stock issuable upon the exercise of stock options held by Joseph Toms.

(6) Consists of 715,974 shares of common stock issuable upon the exercise of stock options held by Kirk Inglis.

(7) Consists of 6,934,084 shares of common stock issuable upon the exercise of stock options held by Stephan Vermut. Stephan Vermut has been appointed to serve as PMI's Chief Executive Officer and elected to serve on PMI's Board, effective January 22, 2013.

(8) Consists of 8,934,746 shares of common stock and common stock issuable upon the conversion of preferred stock and 3,767,476 shares of common stock issuable upon the exercise of stock options.

(9) Represents 11,330,637 shares of common stock, 10,073,082 shares of common stock issuable upon the conversion of preferred stock and 76,371 shares of common stock issuable upon exercise of warrants held by Accel Partners through certain of its affiliates (collectively, the "Accel Shares"); 6,997,538 shares of common stock and 6,640,098 shares of common stock issuable upon the conversion of preferred stock held by IDG Capital Partners through certain of its affiliates (the "IDG Shares"); and 1,742,653 shares of common stock, 1,549,259 shares of common stock issuable upon the conversion of preferred stock and 11,746 shares of common stock issuable upon exercise of warrants held by the James Breyer 2011 Annuity Trust 2 and James W. Breyer 2005 Trust dated 2/25/2005 (collectively, the "Breyer Trusts"). Accel Partners is deemed to have voting and investment power over the Accel Shares. Accel Partners is an affiliate of IDG Capital Partners and may also therefore be deemed to share voting and investment power over the IDG Shares. Accel Partners disclaims beneficial ownership of the IDG Shares except to the extent of its pecuniary interest therein. The address of Accel Partners is 428 University Avenue, Palo Alto, California 94301. James W. Breyer is a trustee of the Breyer Trusts and partner of Accel Partners. Therefore, Mr. Breyer may be deemed to share voting and investment power over the Accel Shares and IDG Shares. Mr. Breyer disclaims beneficial ownership of the Accel Shares and the IDG Shares except to the extent of his pecuniary interest therein.

(10) Represents 7,085,235 shares of common stock, 4,863,597 shares of common stock issuable upon the conversion of preferred stock and 75,293 shares of common stock issuable upon exercise of warrants held by Agilus Ventures through certain of its affiliates. Volition Capital, LLC, manages the US portfolio of Agilus Ventures under a sub-advisory agreement and has voting and investment power over the shares held by Agilus Ventures. The address of Agilus Ventures is 82 Devonshire Street, E16B, Boston, Massachusetts 02109.

(11) Represents 3,724,035 shares of common stock, 963,383 shares of common stock issuable upon the conversion of preferred stock and 83,685 shares of common stock issuable upon exercise of warrants held by Benchmark Capital Partners through certain of its affiliates. Benchmark Capital Partners is deemed to have voting and investment power over these shares. The address of Benchmark Capital Partners V, L.P. is 2480 Sand Hill Road, Suite 200, Menlo Park, California 94025.

(12) Represents 4,265,402 shares of common stock and 2,987,899 shares of common stock issuable upon the conversion of preferred stock held by Crosslink Capital through certain of its affiliates. Crosslink Capital is deemed to have voting and investment power over these shares. The address for Crosslink Capital is Two Embarcadero Center, Suite 2200, San Francisco, CA 94111.

(13) Represents 4,393,362 shares of common stock, 4,260,084 shares of common stock issuable upon the conversion of preferred stock and 27,540 shares of common stock issuable upon the exercise of warrants held by DAG Ventures through certain of its affiliates. DAG Ventures is deemed to have voting and investment power over these shares. The address of DAG Ventures is 251 Lytton Avenue, Suite 200, Palo Alto, California 94301.

(14) Represents 7,109,006 shares of common stock and 4,979,834 shares of common stock issuable upon the conversion of preferred stock held by Draper Fisher Jurvetson through certain of its affiliates. Draper Fisher Jurvetson is deemed to have voting and investment power over these shares. The address for Draper Fisher Jurvetson is 2882 Sand Hill Road, Suite 150, Menlo Park, California 94025.

(15) Represents 6,997,538 shares of common stock and 6,640,098 shares of common stock issuable upon the conversion of preferred stock held by IDG Capital Partners through certain of its affiliates ("IDG Shares"); 11,330,637 shares of common stock, 10,073,082 shares of common stock issuable upon the conversion of preferred stock and 76,371 shares of common stock issuable upon exercise of warrants held by Accel Partners through certain of its affiliates (collectively, the "Accel Shares"); and 1,742,653 shares of common stock, 1,549,259 shares of common stock issuable upon the conversion of preferred stock and 11,746 shares of common stock issuable upon exercise of warrants held by the James Breyer 2011 Annuity Trust 2 and James W. Breyer 2005 Trust dated 2/25/2005 (collectively, the "Breyer Trusts"). IDG Capital Partners is deemed to have voting and investment power over the IDG Shares, and maybe deemed to control the Accel Shares, but disclaims control of the Accel Shares. The address for IDG Capital Partners is 99 Queen's Road Central, Unit 1509, The Center, Hong Kong, China. James W. Breyer is a trustee of the Breyer Trusts and a partner of Accel Partners. Accel Partners is an affiliate of IDG Capital Partners. Therefore, Mr. Breyer may be deemed to share voting and investment power over the Accel Shares and the IDG Shares. Mr. Breyer disclaims beneficial ownership of the Accel Shares and the IDG Shares except to the extent of his pecuniary interest therein.

(16) Represents 4,393,362 shares of common stock, 4,260,085 shares of common stock issuable upon the conversion of preferred stock and 27,540 shares of common stock issuable upon the exercise of warrants held by Meritech Capital Partners through certain of its affiliates. Meritech Capital Partners is deemed to have voting and investment power over these shares. The address for Meritech Capital Partners is 245 Lytton Avenue, Suite 350, Palo Alto, California 94301.

(17) Represents 69,340,840 shares of common stock issuable upon the conversion of preferred stock held by Sequoia Capital. Sequoia Capital is deemed to have voting and investment power over these shares. The address for Sequoia Capital is 300 Sand Hill Road, 4-250, Menlo Park, California 94025.

Executive Officer Compensation

Summary Compensation Table

The following table provides information regarding the compensation earned during the year ended December 31, 2011 and December 31, 2012 by each person serving during the fiscal year ended December 31, 2012 as PMI's principal executive officer or other executive officer, who are collectively referred to as PMI's "named executive officers."

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)(1)	All Other Compensation	Totals ($)
Christian A. Larsen (2)	2012	$ 36,458	—	—	230,572(3)	$ 267,030
Chief Executive Officer	2011	$ 157,292	—	$ 45,394	—	$ 202,686
Dawn G. Lepore (2)	2012	$ 119,327	—	$ 38,091	—	$ 157,418
Chief Executive Officer	2011	—	—	—	—	—
Kirk T. Inglis	2012	$ 279,167	—	$ 34,000	—	$ 313,167
Chief Operating Officer	2011	$ 216,666	$ 33,333	$ 27,863	—	$ 277,862
Joseph Toms	2012	$ 250,000	—	—	—	$ 250,000
Chief Investment Officer	2011	$ 128,846	$ 50,000	$ 117,951	—	$ 296,797

(1) Calculated in accordance with ASC 718 using the Black-Scholes model without consideration of forfeitures for outstanding options to purchase shares of PMI's common stock. There were no forfeitures by the above named executives during 2012 and 2011. The key assumptions used in PMI's ASC 718 calculation are discussed in Note 2 of PMI's consolidated financial statements located in its annual report on Form 10-K/A.

(2) Mr. Larsen resigned as CEO and President of PMI as of March 15, 2012. Ms. Lepore was appointed to serve as PMI's acting Chief Executive Officer, effective as of the same date.

(3) Mr. Larsen received $230,572 pursuant to his Separation Agreement, the material terms of which are described below.

Narrative Discussion of the Summary Compensation Table

The executive officers named above have been granted stock option awards upon employment with PMI and for merit increases as further discussed below under "Outstanding Equity Awards at December 31, 2012." PMI has no formal incentive compensation programs in place for its officers. PMI does not believe that its compensation policies promote inappropriate or excessive risk taking. The compensation it pays to its executive officers consists of three components: base salary, a discretionary bonus and stock option awards. Base salary is a fixed amount, and is not tied to any metric relating to the performance of PMI's business as a whole. Discretionary bonuses, which PMI has only paid out on a limited number of occasions, also are not tied to any specific metrics regarding PMI's performance. Except for the options granted to Mr. Larsen and Ms. Lepore, PMI's stock option awards are generally structured so that they vest over multiple years, which align the interests of the grantees with the long-term interests of PMI's stockholders. The options granted to Mr. Larsen vest normally over multiple years, but will vest immediately if Mr. Larsen ceases to be Chairman of the Board at PMI's request.[1]

The options granted to Ms. Lepore vested as follows: (i) 50% vested immediately upon grant, (ii) approximately 16.67% vested upon the completion of four months of employment, (iii) approximately 16.67% vested upon the completion of five months of employment and (iv) approximately 16.67% vested upon the completion of six months of employment. Any incentives awarded and salary adjustments to the executive officers named above are made at the discretion of PMI's compensation committee. The compensation committee reviews and approves all compensation, including option awards, for PMI's executive team. There were no forfeitures by any of the above named executives for the year ended December 31, 2012.

Mr. Larsen was granted 623,353 share option awards on September 20, 2011 with an exercise price of $0.12, which are subject to the terms and conditions of the 2005 Stock Option Plan as set forth below.

Ms. Lepore was granted 224,063 share option awards on March 15, 2012 with an exercise price of $0.17, which are subject to the terms and conditions of the 2005 Stock Option Plan as set forth below.

Mr. Inglis was granted 200,000 share option awards on July 19, 2012 with an exercise price of $0.17 and was granted 382,618 share option awards on September 20, 2011 with an exercise price of $0.12, which are subject to terms and conditions of the 2005 Stock Option Plan as set forth below.

Mr. Toms was granted 982,926 share option awards on June 27, 2011 with an exercise price of $0.12, which are subject to the terms and conditions of the 2005 Stock Option Plan as set forth below.

All stock options granted to PMI's named executive officers are incentive stock options, to the extent permissible under the Internal Revenue Code, as amended. All equity awards to PMI's employees and directors were granted at no less than the fair market value of PMI's common stock on the date of each award. In the absence of a public trading market for PMI's common stock, PMI's board of directors has determined the fair market value of PMI's common stock in good faith based upon consideration of a number of relevant factors including the status of PMI's development efforts, financial status and market conditions. See "Item 15. - Note to Consolidated Financial Statements" located in PMI's annual report on Form 10-K/A.

[1] On January 14, 2013, Mr. Larsen resigned as Chairman of the Board of PMI. If Mr. Larsen does not rejoin the Board by February 13, 2013, his options will fully vest as of February 13, 2013.

Outstanding Equity Awards at December 31, 2012

The following table sets forth certain information regarding outstanding equity awards granted to PMI's executive officers that remained outstanding as of December 31, 2012.

Outstanding Equity Awards

Option Awards

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date
Christian A. Larsen* (1)	1,695,172	281,065	0.20	7/18/2020
Christian A. Larsen* (2)	194,797	428,556	$0.12	9/19/2021
Dawn Lepore* (3)	224,063	—	$0. 17	3/14/2022
Kirk T. Inglis (4)	134,117	—	$0.50	12/11/2016
Kirk T. Inglis (5)	87,500	12,500	$0.56	6/16/2019
Kirk T. Inglis (6)	314,110	52,081	$0.20	6/9/2020
Kirk T. Inglis (7)	119,568	263,050	$0.12	9/19/2021
Kirk T. Inglis (8)	—	200,000	$0.17	7/18/2022
Joseph Toms (9)	—	368,597	$0.12	8/10/2021

*Mr. Larsen resigned as CEO and President of PMI as of March 15, 2012. Ms. Lepore was appointed to serve as PMI's acting Chief Executive Officer, effective as of the same date.

(1) 33% of the options vested on May 6, 2011, with the remainder vesting monthly over the next 24 months in equal monthly amounts subject to continued employment with PMI.

(2) 25% of the options vested on September 20, 2012, with the remainder vesting monthly over the next 36 months in equal monthly amounts subject to continued employment with PMI. As a result of his resignation from PMI's Board on January 14, 2013, Mr. Larsen's options will vest and be exercisable in full for three years if he does not rejoin the Board by February 13, 2013. .

(3) 50% of the options vested on March 15, 2012; approximately 16.67% of the options vested on July 15, 2012; approximately 16.67% of the options vested on August 15, 2012; and approximately 16.67% of the options vested on September 15, 2012.

(4) 25% of the options vested on November 15, 2007, with the remainder vesting monthly over the next 36 months in equal monthly amounts subject to continued employment with PMI.

(5) 25% of the options vested on June 17, 2010, with the remainder vesting monthly over the next 36 months in equal monthly amounts subject to continued employment with PMI.

(6) 33% of the options vested on May 6, 2011, with the remainder vesting monthly over the next 24 months in equal monthly amounts subject to continued employment with PMI.

(7) 25% of the options vested on September 20, 2012, with the remainder vesting monthly over the next 36 months in equal monthly amounts subject to continued employment with PMI.

(8) 25% of the options vest on September 24, 2013, with the remainder vesting monthly over the next 36 months in equal monthly amounts subject to continued employment with PMI.

(9) 25% of the options vested on June 27, 2012, with the remainder vesting monthly over the next 36 months in equal monthly amounts subject to continued employment with PMI.

Pursuant to a Separation Agreement entered into in connection with Mr. Larsen's resignation as President and CEO of PMI on March 15, 2012, PMI made a severance payment to Mr. Larsen of $235,572. As of December 31, 2012, except for Mr. Larsen's Separation Agreement, there were no material contracts, agreements, plans or arrangements, written or unwritten, that provided for payments or stock option awards to the named executive officers above in connection with their respective resignation, retirement or other termination. All options granted to PMI's executive officers, except as otherwise provided, shall be subject to the terms and conditions of the 2005 Stock Option Plan as set forth below.

Director Compensation

As reflected in the table below, PMI occasionally grants options to its directors for their service on the Board but does not otherwise compensate directors for their service on the board.

Name	Fees earned or paid in cash ($)	Stock awards ($)	Option awards ($)(1)	Non-equity incentive plan compensation ($)	Nonqualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
James W. Breyer (2)	-	-	-	-	-	-	-
Lawrence W. Cheng (3)	-	-	-	-	-	-	-
Jerome Contro (4)	-	-	-	-	-	-	-
Court Coursey (5)	-	-	-	-	-	-	-
Timothy C. Draper (5)	-	-	-	-	-	-	-
Nigel W. Morris (5)	-	-	74,511(6)	-	-	-	74,511
Jeffrey Jacobs (7)	-	-	-	-	-	-	-
David Silverman (8)	-	-	-	-	-	-	-
Eric Schwartz (5)	-	-	74,511(9)	-	-	-	74,511

(1) Calculated in accordance with ASC 718 using the Black-Scholes model without consideration of forfeitures for outstanding options to purchase shares of PMI's common stock. There were no forfeitures by the above named directors during 2012. The key assumptions used in PMI's ASC 718 calculation are discussed in Note 2 of PMI's consolidated financial statements located in PMI's annual report on Form 10-K/A.

(2) Effective June 19, 2012, Mr. Breyer resigned from the board of directors.

(3) Effective December 22, 2012, Mr. Cheng resigned from the board of directors.

(4) Mr. Contro passed away on January 13, 2012.

(5) Effective January 14, 2013, Messrs. Coursey, Draper, Morris and Schwartz resigned from the board of directors.

(6) Represents a warrant to acquire 438,301 shares of PMI's common stock at $0.17 per share granted to QED Fund I, L.P. as compensation for Mr. Morris. Such warrant was the only outstanding option award for Mr. Morris as of December 31, 2012.

(7) Effective December 17, 2012, Mr. Jacobs resigned from the board of directors.

(8) Effective December 20, 2012, Mr. Silverman resigned from the board of directors.

(9) Represents a warrant to acquire 438,301 shares of PMI's common stock at $0.17 per share granted to Mr. Schwartz. Such warrant was the only outstanding option for award for Mr. Schwartz as of December 31, 2012.

From time to time, PMI reimburses certain of its non-employee directors for travel and other expenses incurred in connection with attending board meetings**.** PMI has agreed to reimburse certain of its directors for legal expenses incurred by them stemming from the class action lawsuit as described in the "Information About Prosper Marketplace, Inc.—Legal Proceedings" section included in PMI's annual report on Form 10-K/A, pursuant to PMI's indemnification agreements with its directors as discussed below.

Employee Benefit Plans

Stock Option Plan

In 2005, PMI's stockholders approved the adoption of the 2005 Stock Option Plan. On December 1, 2010, PMI's stockholders approved the adoption of the Amended and Restated 2005 Stock Plan (as amended and restated, the "2005 Plan"). The 2005 Plan will terminate upon the earliest to occur of (i) December 1, 2020, (ii) the date on which all shares of common stock available for issuance under the 2005 Plan have been issued as fully vested shares of common stock, and (iii) the termination of all outstanding stock options granted pursuant to the 2005 Plan. The 2005 Plan provides for the grant of the following:

- incentive stock options under the federal tax laws ("ISOs"), which may be granted solely to PMI's employees, including officers; and

- nonstatutory stock options ("NSOs"), which may be granted to PMI's directors, consultants or employees, including officers.

Share Reserve. On June 3, 2011 PMI's Board of Directors and stockholders approved an amendment to the 2005 Plan to increase the total pool of shares subject to options issuable under the 2005 Plan by 3,550,875 shares. On September 20, 2011 and October 17, 2011, respectively, PMI's Board and stockholders approved another amendment to the 2005 Plan increasing the share pool by 1,000,000 shares. On May 10, 2012 and July 17, 2012, respectively, PMI's Board's Compensation Committee and stockholders approved another amendment to the 2005 Plan increasing the share pool by 1,700,000 shares. On January 14, 2013, PMI's Board and stockholders approved another amendment to the 2005 Plan increasing the share pool by 56,483,417 shares. As of the date hereof, an aggregate of 71,723,081 shares of PMI's common stock are authorized for issuance under the 2005 Plan. Shares of PMI's common stock subject to options that have expired or otherwise terminate under the 2005 Plan without having been exercised in full will again become available for grant under the plan. Shares of PMI's common stock issued under the 2005 Plan may include previously unissued shares or reacquired shares bought on the market or otherwise.

Administration. The 2005 Plan is administered by PMI's board of directors, which may in turn delegate authority to administer the plan to a committee (the "Administrator"). Subject to the terms of the 2005 Plan, the Administrator determines recipients, the numbers and types of stock awards to be granted and the terms and conditions of the stock awards, including the period of their exercisability and vesting. Subject to the limitations set forth below, the Administrator will also determine the exercise price of options granted under the 2005 Plan.

Stock options will be granted pursuant to stock option agreements. The exercise price for ISOs cannot be less than 100% of the fair market value of the common stock subject to the option on the date of grant. The exercise price for NSOs cannot be less than 85% of the fair market value of the common stock subject to the option on the date of grant. Options granted under the 2005 Plan will vest at the rate specified in the option agreement. Unvested shares of PMI's common stock issued in connection with an early exercise may be repurchased by PMI. In general, the term of stock options granted under the 2005 Plan may not exceed ten years. Unless the terms of an optionholder's stock option agreement provide for earlier or later termination, if an optionholder's service relationship with PMI, or any affiliate of PMI, ceases due to disability or death, the optionholder, or his or her beneficiary, may exercise any vested options for up to 12 months after the date the service relationship ends, unless the terms of the stock option agreement provide for earlier termination. If an optionholder's service relationship with PMI, or any affiliate of PMI, ceases without cause for any reason other than disability or death, the optionholder may exercise any vested options for up to three months after the date the service relationship ends, unless the terms of the stock option agreement provide for a longer or shorter period to exercise the option.

Acceptable forms of consideration for the purchase of PMI's common stock under the 2005 Plan, to be determined at the discretion of the Administrator at the time of grant, include (i) cash or (ii) the tendering of other shares of common stock or the attestation to the ownership of shares of common stock that otherwise would be tendered to PMI in exchange for PMI's reducing the number of shares necessary for payment in full of the option price for the shares so purchased (provided that the shares tendered or attested to in exchange for the shares issued under the 2005 Plan may not be shares of restricted stock at the time they are tendered or attested to), or (iii) any combination of (i) and (ii) above.

Generally, an optionholder may not transfer a stock option other than by will or the laws of descent and distribution or a domestic relations order. However, an optionholder may designate a beneficiary who may exercise the option following the optionholder's death.

Limitations. The aggregate fair market value, determined at the time of grant, of shares of PMI's common stock with respect to ISOs that are exercisable for the first time by an optionholder during any calendar year under all of PMI's stock plans may not exceed $100,000. The options or portions of options that exceed this limit are treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of PMI's total combined voting power unless the following conditions are satisfied:

- the option exercise price must be at least 110% of the fair market value of the stock subject to the option on the date of grant; and
- the term of any ISO award must not exceed five years from the date of grant.

Option Grants to Outside Directors. Options may be granted to outside directors in accordance with the policies established from time to time by the Administrator specifying the number of shares, if any, to be subject to each award and the time(s) at which such awards shall be granted. All options granted to outside directors shall be NSOs and, except as otherwise provided, shall be subject to the terms and conditions of the 2005 Plan.

Adjustments. In the event that there is a specified type of change in PMI's capital structure not involving the receipt of consideration by PMI, such as a stock split or stock dividend, the number of shares reserved under the 2005 Plan and the maximum number and class of shares issuable to an individual in the aggregate, and the exercise price or strike price, if applicable, of all outstanding stock awards will be appropriately adjusted.

Dissolution or Liquidation. In the event of a proposed dissolution or liquidation of PMI, the Administrator shall provide written notice to each participant at least 20 days prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an award will terminate immediately prior to the consummation of such proposed action. The Administrator may specify the effect of a liquidation or dissolution on any award of restricted stock or other award at the time of grant of such award.

Reorganization. Upon the occurrence of a Reorganization Event (as defined below), each outstanding option shall be assumed or an equivalent option substituted by the successor corporation, except in the event that the successor corporation does not assume the option or an equivalent option is not substituted, then the Administrator shall notify the optionholder that one of the following will occur:

- all options must be exercised as of a specified time prior to the Reorganization Event or will be terminated immediately prior to the Reorganization Event; or

- all outstanding options will terminate upon consummation of such Reorganization Event and each participant will receive, in exchange therefore, a cash payment per share equal to the difference between the acquisition price per share and the exercise price.

A "Reorganization Event" is defined as (i) a merger or consolidation of PMI with or into another entity, as a result of which all of PMI's common stock is converted into or exchanged for the right to receive cash, securities or other property or (ii) any exchange of all of PMI's common stock for cash, securities or other property pursuant to a share exchange transaction.

401(k) Plan

PMI maintains through its payroll and benefits service provider, a defined contribution employee retirement plan that covers all of its employees meeting certain eligibility requirements. The 401(k) plan is designed to provide tax-deferred retirement benefits in accordance with the provisions of Section 401(k) of the Internal Revenue Code. Eligible employees may defer up to 90% of eligible compensation up to the annual maximum as determined by the Internal Revenue Service, which is $17,000 for 2012. Participants who are at least 50 years old can also make "catch-up" contributions, which in 2012 may be up to an additional $5,500 above the statutory limit. Under the 401(k) plan, each employee is fully vested in his or her deferred salary contributions. Employee contributions are held and invested by the plan's trustee. PMI's contributions to the plan are discretionary and PMI has not made any contributions to date.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth in Item 1.01 is hereby incorporated by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
2.1	Asset Transfer Agreement, dated as of January 22, 2013, between Prosper Marketplace, Inc., and Prosper Funding LLC
3.1	Second Amended and Restated Limited Liability Company Agreement of Prosper Funding LLC
4.1	First Supplemental Indenture, dated as of January 22, 2013 by and among Prosper Marketplace, Inc., Prosper Funding LLC, and Wells Fargo Bank, National Association
4.2	Amended and Restated Indenture, dated as of January 22, 2013 by and among Prosper Marketplace, Inc., Prosper Funding LLC, and Wells Fargo Bank, National Association
10.1	Administration Agreement, dated as of January 22, 2013 by and among Prosper Funding LLC and Prosper Marketplace, Inc.
10.2	Amended and Restated Services Agreement, dated as of January 24, 2013, among FOLIOfn Investments, Inc., Prosper Marketplace, Inc., and Prosper Funding LLC

10.3	Amended and Restated Hosting Services Agreement, dated as of January 24, 2013, among Prosper Marketplace, Inc., Prosper Funding LLC, and FOLIOfn Investments, Inc.
10.4	Amended and Restated License Agreement, as of January 24, 2013, among Prosper Marketplace, Inc., Prosper Funding LLC, and FOLIOfn Investments, Inc.
10.5	Second Amended and Restated Loan Sale Agreement, dated as of January 25, 2013, by and among Webbank, Prosper Marketplace, Inc., and Prosper Funding LLC
10.6	Second Amended and Restated Loan Account Program Agreement, dated as of January 25, 2013, by and between Webbank and Prosper Marketplace, Inc.
10.7	Stand By Loan Purchase Agreement, dated as of January 25, 2013, by and between Webbank and Prosper Marketplace, Inc.,

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Prosper Marketplace, Inc.

Date: January 25, 2013

By /s/ Sachin Adarkar
Sachin Adarkar
General Counsel & Secretary

Prosper Funding LLC

Date: January 25, 2013

By /s/ Sachin Adarkar
Sachin Adarkar
Secretary

Exhibit 2.1

Execution Version

ASSET TRANSFER AGREEMENT

This ASSET TRANSFER AGREEMENT (this "*Agreement*"), dated as of January 22, 2013, is entered into by and between Prosper Marketplace, Inc., a Delaware corporation ("*PMI*"), and Prosper Funding LLC, a Delaware limited liability company and a wholly-owned subsidiary of PMI ("*Prosper Funding*"). PMI and Prosper Funding are sometimes individually referred to herein as a "*Party*" and are sometimes collectively referred to herein as the "*Parties*."

WHEREAS, PMI operates a peer-to-peer online credit platform (the "*Platform*") that enables PMI's borrower members to borrow money and its lender members to purchase certain notes referred to as Borrower Payment Dependent Notes (collectively, the "*Notes*"), issued by PMI in series under that certain Indenture, dated as of June 15, 2009 (the "*Indenture*"), by and between PMI and Wells Fargo Bank, National Association, as trustee (the "*Trustee*"), the proceeds of which facilitate the funding of the loans made to borrower members (collectively, "*Borrower Loans*");

WHEREAS, PMI desires to transfer, assign and convey to Prosper Funding, and Prosper Funding desires to acquire, assume and accept from PMI, each of the following: (i) all of PMI's rights and obligations with respect to all Notes that are outstanding as of the Closing Date (as defined below) (collectively, the "*Outstanding Notes*"); (ii) all of PMI's rights and obligations with respect to all Borrower Loans corresponding to any of the Outstanding Notes, including without limitation all rights to receive payments thereunder (including all payments of principal and interest); (iii) all of PMI's rights and obligations with respect to any agreement entered into between PMI and any of its lender or borrower members, on or prior to the Closing Date (collectively, the "*Customer Agreements*"), including without limitation all Lender Registration Agreements, Borrower Registration Agreements, Group Leader Registration Agreements, consents for PMI to make electronic disclosures, agreements pertaining to the terms of use of PMI's website, authorizations to debit the accounts of PMI's borrower members, authorizations to obtain credit reports with respect to PMI's lender members, state financial suitability questionnaires, withholding tax certifications, and any other agreement, document, consent, authorization or other instrument entered into between PMI and its lender or borrower members or delivered to PMI by any of them; (iv) all books, records, information or other documents in PMI's possession related to such Outstanding Notes or Borrower Loans; (v) the Platform, and all assets and rights of PMI related to the operation of the Platform (other than computer and electronic hardware), as described on Schedule A hereto; (vi) the trademarks, copyrights and domain names identified on Schedule A hereto (collectively, the "*IP Assets*"), and all related "goodwill assets" identified as such on Schedule A hereto that comprise all of the tangible and intangible assets and information connected with the use of, symbolized by, and embodied in the IP Assets that are necessary for Prosper Funding to continue using the IP Assets in continuity with PMI's past practice; (vii) each of the accounts, and all funds therein, held by PMI, for the benefit of the holders of the Outstanding Notes, at the Trustee and identified on Schedule B hereto; and (viii) a cash capital contribution in an amount to be determined in accordance with Section 2(b) below (all of the assets identified in the foregoing clauses (i) through (viii) are collectively referred to herein as the "*Transferred Assets*"); and

WHEREAS, the Transferred Assets constitute substantially all of the properties and assets of PMI as an entirety, and pursuant to a Supplemental Indenture to be entered into among PMI, Prosper Funding and the Trustee in accordance with the terms of the Indenture, Prosper Funding will assume all of the obligations of, and succeed to and be substituted for, and be entitled to exercise every right and power of, PMI under the Outstanding Notes and the Indenture, with PMI to be discharged thereafter from all obligations and covenants under the Outstanding Notes and the Indenture.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Assignment and Assumption of Transferred Assets. Upon the terms and subject to the conditions set forth herein, PMI hereby agrees to transfer, assign and convey to Prosper Funding and its successors and assigns, and Prosper Funding hereby agrees to acquire, assume and accept from PMI, at the Closing (as defined below), all of PMI's right, title and interest in, to and under, and all of PMI's obligations under, all of the Transferred Assets (the "*Asset Transfer*"). The Asset Transfer constitutes a capital contribution that has been duly authorized and approved by the board of directors of PMI in accordance with (i) the requirements of the organizational and other governing documents of PMI, and (ii) the requirements of Delaware law applicable to capital contributions between affiliates.

2. Closing; Cash Capital Contribution.

(a) The closing of the assignment and assumption of the Transferred Assets hereunder (the "*Closing*") shall be held remotely on February 1, 2013, or on such other date as may be agreed by the Parties. The date on which the Closing occurs is referred to in this Agreement as the "*Closing Date*." The Closing shall be deemed to occur at 12:01 a.m. (Pacific Time) on the Closing Date.

(b) On or prior to the Closing Date, PMI shall deliver written notice to Prosper Funding of the amount of the cash capital contribution to be included in the Transferred Assets pursuant to subclause (vii) of the definition thereof.

(c) On the Closing Date, each of PMI and Prosper Funding shall deliver to the other Party a duly executed Assignment and Assumption of Assets in substantially the form attached hereto as Schedule E.

3. Intellectual Property Filings.

(a) In connection with the Asset Transfer, following the Closing, PMI agrees to (i) record and file at the United States Patent and Trademark Office and any necessary foreign equivalents, at its own expense, the original executed trademark assignment set forth on Schedule C hereto to provide third parties with notice of the conveyance hereunder and to perfect the assignment of the trademark assets to Prosper Funding within the applicable timeframes required in each jurisdiction, (ii) record and file at the United States Copyright Office and any necessary foreign equivalents, at its own expense, the original executed copyright assignment set forth on Schedule D hereto to provide third parties with notice of the conveyance hereunder and to perfect the assignment of the copyright assets to Prosper Funding within the applicable timeframes required in each jurisdiction, and (iii) to cause all financing statements and continuation statements (including, without limitation, filings under the Uniform Commercial Code as in effect in Delaware and any other relevant state of the United States, or any foreign equivalent thereto), this Agreement and all amendments hereto, and any other documents necessary to provide third parties with notice of Prosper Funding's right, title and interest in, to and under all intellectual property included in the Transferred Assets to be promptly filed, recorded and registered, and at all times to be kept filed, recorded and registered, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of Prosper Funding in such Transferred Assets, and to deliver to Prosper Funding copies or filing receipts for any document so filed, recorded or registered as soon as reasonably available after such filing, recording or registration. Prosper Funding will cooperate fully with PMI in connection with PMI's performance of its obligations set forth in this Section 3(a), including, without limitation, by executing any and all documents reasonably required to fulfill the intent of this Section 3(a).

(b) In connection with the foregoing contribution, from and after the Closing, PMI will provide Prosper Funding, its successors, assigns or legal representatives, cooperation and assistance at Prosper Funding's request and expense (including, but not limited to, the execution and delivery of any and all affidavits, declarations, oaths, assignments, powers of attorney or other documentation as may be reasonably required) in:

(i) the preparation and prosecution of any applications for registration or any applications for renewal of a registration covering any of the transferred trademarks;

(ii) the prosecution or defense of any trademark office proceedings, infringement proceedings or other proceedings that may arise in connection with any of the transferred trademarks, including, without limitation, testifying as to any facts related to the transferred trademarks, the contribution thereof to Prosper Funding or this Agreement;

(iii) obtaining any additional trademark protection reasonably appropriate that may be secured under the laws now or hereinafter in effect in the United States or any other relevant jurisdiction for the transferred trademarks; and

(iv) the implementation of or perfection of this Agreement and the grants, rights and transactions contemplated hereby.

4. Security Interests. It is the intention of the Parties that the Asset Transfer contemplated by this Agreement constitutes an absolute assignment and transfer, and that the beneficial interest in all of the Transferred Assets not be property of PMI's estate in the event of any filing of a bankruptcy petition by or against PMI under any bankruptcy, insolvency or receivership law. However, if the transfer of any of the Transferred Assets is deemed to be other than an absolute assignment and transfer, the Parties intend that this Agreement comprise a security agreement (as such term is defined in the Uniform Commercial Code or equivalent statute or law concerning the grant and perfection of security interests in every relevant jurisdiction) that grants a security interest in all of the Transferred Assets to Prosper Funding such that Prosper Funding shall have the rights, powers and privileges of a secured party under the Uniform Commercial Code or equivalent statute or law concerning the grant and perfection of security interests in every relevant jurisdiction, and that the filings, recordings and registrations described in this Section 4 give Prosper Funding a first priority perfected security interest in, to and under all of the Transferred Assets.

5. Agreement to Fund. From and after the Closing, upon demand by Prosper Funding presented to PMI from time to time, PMI hereby agrees that it shall fund in full, and provide Prosper Funding with the full, complete and timely payment of, any liability, obligation or debt of Prosper Funding arising out of or relating to any of the following, to the extent the following relate to, arise from or are caused by any condition, event or circumstance existing, arising or occurring prior to the Closing or to any act or omission of PMI as agent of Prosper Funding or in contravention of its duties to Prosper Funding under any contract or agreement between PMI and Prosper Funding:

(a) any obligation to repurchase any of the Outstanding Notes pursuant to the terms of such Outstanding Note, the Indenture or any Lender Registration Agreement pertaining to such Outstanding Note;

(b) any obligation to pay arbitration filing fees, administrative fees or arbitrator fees under any of the Customer Agreements; or

(c) any indemnification obligations arising out of or relating to any Group Leader Registration Agreement entered into by PMI on or prior to the Closing.

6. Representations and Warranties of PMI. PMI represents and warrants to Prosper Funding, as of the date hereof and as of the Closing, as follows:

(a) Authorization. PMI is an entity duly organized and validly existing in good standing under the laws of its jurisdiction of organization. PMI has the requisite power and authority to enter into, execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement and the transactions contemplated hereby have been duly authorized, executed and delivered by it, and this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(b) No Conflicts. Neither the execution and delivery of this Agreement nor the performance by PMI of its obligations hereunder will conflict with, breach, violate, constitute a default under or accelerate any rights or obligations under (or constitute an event which, with the passage of time, would result in any of the foregoing): (i) any indenture, mortgage, deed of trust, loan agreement or other contract, agreement, commitment or instrument to which PMI is a party or by which it is bound and which relates to, or imposes any restrictions upon the ability of PMI to transfer to Prosper Funding, the Transferred Assets; (ii) the organizational or other governing documents of PMI; or (iii) in any material respect, any statute, law, judgment, order, writ, decree, permit, license, rule or regulation of any court or governmental or regulatory agency or body having jurisdiction over PMI or its property. The performance by PMI of its obligations hereunder will not require any consent or approval of, or any filing, qualification or registration with, any court or governmental or regulatory agency or authority having jurisdiction over PMI or its property or any other third party.

(c) Title to Transferred Assets. PMI owns all right, title and interest in, to and under the Transferred Assets, free and clear of all liens, pledges, claims, security interests, charges, restrictions, limitations or other encumbrances of any kind (collectively, "*Liens*"), other than restrictions under federal and state securities laws. Upon the occurrence of the Closing hereunder and the consummation of the other transactions contemplated hereby, Prosper Funding will acquire good title to such Transferred Assets free and clear of all Liens other than restrictions under federal and state securities laws and any Liens created by Prosper Funding.

(d) Certain Conduct. At all times prior to the Closing and during the entire term of each of the Outstanding Notes, PMI has (i) used commercially reasonable efforts to service and collect the Borrower Loan corresponding to each Outstanding Note, in good faith, accurately and in accordance with industry standards customary for servicing loans such as the Borrower Loans; and (ii) used commercially reasonable efforts to maintain backup servicing arrangements providing for the Borrower Loan corresponding to each Outstanding Note to be serviced and collected in good faith, accurately and in accordance with industry standards customary for servicing loans such as the Borrower Loans, in each case of the foregoing clauses (i) and (ii), all in accordance with PMI's obligations set forth in Sections 3.6(a) and (b) of the Indenture, respectively.

(e) Transferred IP Assets.

(i) Schedule of Licenses. The information set forth in Schedule A hereto is true and correct in all material respects.

(ii) Compliance with Law. The assignment and contribution of the Platform and the IP Assets (collectively, the "*Transferred IP Assets*") pursuant to this Agreement complies in all material respects with all requirements of applicable federal, state, local, and foreign laws, and regulations thereunder.

(iii) All Filings Made. PMI has caused or will cause the filing of all appropriate financing statements and other filings (including, but not limited to, UCC filings (and relevant foreign equivalents) and trademark filings (with the United States Patent and Trademark Office and relevant foreign equivalents)) in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Transferred IP Assets granted to Prosper Funding hereunder, or as otherwise necessary in any jurisdiction to provide third parties with notice of the transfers and assignments herein contemplated and to perfect the absolute conveyance of the Transferred IP Assets from PMI to Prosper Funding at the Closing, and no other consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by PMI for the consummation of the transactions in the manner contemplated by this Agreement, except such as have been obtained (and not revoked) on or prior to the Closing or such as may be required under state securities laws; *provided*, *however*, that if (A) any filing or trademark or copyright filing is not accepted by the relevant governmental authority or is not effective to provide such notice or to perfect such conveyance, and (B) such nonacceptance or ineffectiveness would not have a material adverse effect on the conveyance of the Transferred IP Assets, such event will not constitute a breach of this representation.

(iv) Priority. Other than the security interest granted to Prosper Funding pursuant to this Agreement, PMI has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Transferred IP Assets. PMI has not authorized the filing of and is not aware of any financing statements against PMI that include a description of collateral covering the Transferred IP Assets other than any financing statement relating to the security interest granted to Prosper Funding hereunder or that has been terminated. PMI is not aware of any judgment or tax lien filings against PMI.

(v) Lawful Assignment. The contribution, transfer, and assignment of the Transferred IP Assets under this Agreement and the related assignments are not unlawful, void, or voidable pursuant to the laws or statutes of any jurisdiction, nor will they result in a breach, default, conflict, lien, violation of, or material adverse effect upon, any of the Transferred IP Assets.

(vi) Validity. The trademarks that are part of the Transferred IP Assets are valid, subsisting, enforceable, and have not been abandoned in any applicable jurisdiction.

(vii) No Infringement. The trademarks and copyrights that are part of the Transferred IP Assets do not violate the trademark or copyright rights of any third party and there is no action or proceeding pending or threatened alleging that such trademarks infringe upon the rights of any third party.

(viii) No Adverse Judgments. No domestic or foreign court, tribunal, or other official governmental authority, including the United States Patent and Trademark Office or any foreign equivalent, has entered a holding, judgment or decision canceling or otherwise limiting PMI's interest in the Transferred IP Assets.

(ix) No Pending Actions. No action or proceeding is pending or, to PMI's knowledge, threatened, seeking to limit, cancel, or question the validity of any material portion of the Transferred IP Assets or of PMI's ownership interest therein, that if adversely determined would have a material adverse effect on the Transferred IP Assets or the conveyance thereof by PMI to Prosper Funding hereunder.

(x) Quality Control. Through the Closing, PMI has examined, monitored and otherwise policed the trademarks that are part of the Transferred IP Assets in a manner and to an extent necessary and sufficient to prevent the abandonment of any such trademarks.

7. Representations and Warranties of Prosper Funding. Prosper Funding represents and warrants to PMI, as of the date hereof and as of the Closing, as follows:

(a) Authorization. Prosper Funding is an entity duly organized and validly existing in good standing under the laws of its jurisdiction of organization. Prosper Funding has the requisite power and authority to enter into, execute and deliver this Agreement and to perform all of its obligations hereunder. This Agreement and the transactions contemplated hereby have been duly authorized, executed and delivered by it, and this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(b) No Conflicts. Neither the execution and delivery of this Agreement nor the performance by Prosper Funding of its obligations hereunder will conflict with, breach, violate, constitute a default under or accelerate any rights or obligations under (or constitute an event which, with the passage of time, would result in any of the foregoing): (i) any indenture, mortgage, deed of trust, loan agreement or other contract, agreement, commitment or instrument to which Prosper Funding is a party or by which it is bound and which relates to, or imposes any restrictions upon the ability of Prosper Funding to acquire from PMI, the Transferred Assets; (ii) the organizational or other governing documents of Prosper Funding; or (iii) in any material respect, any statute, law, judgment, order, writ, decree, permit, license, rule or regulation of any court or governmental or regulatory agency or body having jurisdiction over Prosper Funding or its property. The performance by Prosper Funding of its obligations hereunder will not require any consent or approval of, or any filing, qualification or registration with, any court or governmental or regulatory agency or authority having jurisdiction over Prosper Funding or its property or any other third party.

8. Indemnification.

(a) From and after the Closing, PMI shall indemnify and hold harmless Prosper Funding from and against any and all claims, losses, liabilities, obligations, damages, deficiencies, taxes, assessments, fines, judgments, costs and expenses, including without limitation reasonable costs and expenses of responding to, investigating and defending a claim, and all reasonable attorneys' fees and expenses (collectively, "*Losses*"), incurred or suffered by Prosper Funding to the extent such Losses arise out of or relate to any liability, obligation or debt, whether accrued or fixed, known or unknown, absolute or contingent, matured or unmatured or determined or determinable, of Prosper Funding arising out of or relating to any of the following:

(i) any breach of any representation or warranty of PMI, or any failure by PMI to perform any of its covenants, agreements or obligations, contained in this Agreement; or

(ii) any Losses arising out of or relating to any of the Customer Agreements, including any Losses arising out of or relating to any breach of PMI's representations or warranties thereunder, to the extent relating to, arising from or caused by any condition, event or circumstance existing, arising or occurring on or prior to the Closing or to any act or omission of PMI as agent of Prosper Funding or in contravention of its duties to Prosper Funding under any contract or agreement between PMI and Prosper Funding.

(b) If Prosper Funding receives written notice of the commencement of any action or proceeding or the assertion of any claim by a third party or the imposition of any penalty or assessment for which a claim for indemnification may be made under Section 8(a) (a "*Third Party Claim*") or otherwise discovers the liability, obligation or facts giving rise to such claim for indemnity, and Prosper Funding intends to seek indemnity therefor pursuant to Section 8(a), Prosper Funding shall promptly provide PMI with written notice of such Third Party Claim, stating the nature, basis and the amount thereof, to the extent known, along with copies of the relevant documents evidencing such Third Party Claim and the basis for indemnification sought. Failure of Prosper Funding to give such notice on a timely basis will not relieve PMI from its indemnification obligations hereunder. With respect to any Third Party Claim, PMI shall have the right to direct, through counsel of its own choosing, the defense or settlement of any such Third Party Claim at its own expense. If PMI does not so assume control of such defense or withdraws from such defense, Prosper Funding shall control such defense. Prosper Funding shall reasonably assist and cooperate with PMI and its counsel in the defense or compromise of any such claim or demand. Such reasonable assistance and cooperation shall include providing reasonable access to and copies of information, records and documents relating to such matters, furnishing employees, upon reasonable advance notice and for reasonable periods of time, to assist in the investigation, defense and resolution of such matters and providing reasonable legal and business assistance with respect to such matters. If PMI assumes the defense of a Third Party Claim, no compromise, discharge or settlement of such claims may be effected by PMI without the consent of Prosper Funding unless (A) such compromise, discharge, or settlement provides for a complete and unconditional release of Prosper Funding, and (B) the sole relief provided in connection therewith is monetary damages that are paid in full by PMI. If, however, PMI does not assume the defense of a Third Party Claim, no compromise, discharge or settlement of such claims may be effected by Prosper Funding without PMI's prior written consent.

(c) If Prosper Funding shall have a claim to be indemnified by PMI under Section 8(a) which does not involve a Third Party Claim, and Prosper Funding intends to seek indemnity therefor pursuant to Section 8(a), Prosper Funding shall send to PMI a written notice specifying the nature, the amount thereof, to the extent known, and the basis for indemnification sought, promptly after Prosper Funding discovers the liability, obligation or facts giving rise to such claim for indemnity. Failure of Prosper Funding to give such notice on a timely basis will not relieve PMI from its indemnification obligations hereunder.

9. Further Assurances. Each Party hereby agrees to furnish upon request to the other Party such further information, to execute and deliver to the other Party such other documents, and to do such other acts and things, in each case as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and perfecting the transactions contemplated hereby.

10. Third Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person other than the Parties, their respective successors and permitted assigns; *provided*, *however*, that the holders of the Outstanding Notes (and the Trustee on their behalf), shall be deemed express third party beneficiaries of, and shall be entitled to enforce and make demand under, Section 3, Section 5 and Section 8.

11. Severability. If any term or other provision of this Agreement is determined to be invalid, illegal or incapable of being enforced by any rule of applicable law, all other terms and provisions of the Agreement shall remain in full force and effect. Upon such determination, the Parties shall negotiate in good faith to modify this Agreement so as to give effect to the original intent of the Parties to the fullest extent permitted by applicable law.

12. Amendment, Modification and Waiver. No amendment, modification, waiver or termination of this Agreement shall be binding unless executed in writing by both of the Parties; *provided*, that any amendment, modification or waiver of Section 3, Section 5, Section 8 or Section 10 that would adversely affect the rights of the holders of the Outstanding Notes thereunder shall require the written consent of the holders of at least a majority in aggregate Principal Amount of Outstanding Securities (as such terms are defined in the Indenture) of each series adversely affected by such proposed amendment, modification or waiver.

13. Assignment. This Agreement shall not be assigned by either Party without the prior written consent of the other Party, and any assignment in violation of this Section 13 shall be void. Subject to the foregoing sentence, all of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the Parties.

14. Notices. Any notice, request, demand, waiver, consent, approval, or other communication that is required or permitted to be given to either Party hereunder shall be in writing and shall be deemed given only if delivered to such Party personally or sent to such Party by facsimile transmission (promptly followed by a hard-copy delivered in accordance with this Section 14), by overnight courier, or by registered or certified mail (return receipt requested), with postage and registration or certification fees thereon prepaid, addressed to the Party at its address set forth below:

If to PMI:

Prosper Marketplace, Inc.
111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Attention: General Counsel
Facsimile: (415) 362-7233

If to Prosper Funding:

Prosper Funding LLC
c/o Prosper Marketplace, Inc.
111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Attention: General Counsel
Facsimile: (415) 362-7233

or to such other address or person as either Party may have specified in a notice duly given to the other Party as provided herein.

15. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered in two counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument. An executed signature page to this Agreement delivered by facsimile transmission or by electronic mail in "portable document format" (".pdf") shall be as effective as an original executed signature page hereto.

16. Headings. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

17. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations between the Parties shall be governed by, and construed and enforced in accordance with, the laws of the State of California, without regard to its conflict of laws rules.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

PROSPER MARKETPLACE, INC.

By: /s/ Kirk Inglis
Name: Kirk Inglis
Title: Chief Operating Officer

PROSPER FUNDING LLC

By: /s/ Sachin Adarkar
Name: Sachin Adarkar
Title: Secretary

Pursuant to Item 601(b)(2) of Regulation S-K, the Registrants have omitted schedules to this agreement that are immaterial to an investment decision and which are not otherwise disclosed in the agreement. These schedules relate to:

- a schedule of intellectual property being transferred;
- a schedule of accounts being transferred;
- forms of trademark and copyright assignments; and
- a form of assignment and assumption of assets.

The Registrants hereby agree to furnish supplementally a copy of any omitted schedule to the Commission upon request.

[Signature Page to Asset Transfer Agreement]

Exhibit 3.1

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

PROSPER FUNDING LLC

This Second Amended and Restated Limited Liability Company Agreement (together with the schedules attached hereto, this "Agreement") of PROSPER FUNDING LLC (the "Company"), dated as of January 10, 2013, is entered into by PROSPER MARKETPLACE, INC., a Delaware corporation as the sole equity member (the "Member"), Bernard J. Angelo and Kevin P. Burns, as Independent Directors who may become Special Members and each other Special Member who may become a party hereto from time to time. Capitalized terms used but not otherwise defined in Schedule A hereto shall have the respective meanings assigned to such terms in the Indenture or, if not defined therein, in the Administration Agreement.

The Certificate of Formation of the Company, effective as of February 17, 2012, has been filed with the Secretary of State of the State of Delaware. The Member executed the Limited Liability Company Agreement of PROSPER FUNDING LLC (the "Initial Agreement"), dated as of March 1, 2012, to form the Company as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.), as amended from time to time (the "Act"). The Member executed the Amended and Restated Limited Liability Company Agreement of PROSPER FUNDING LLC, dated as of October 1, 2012. The Member hereby agrees as follows:

Section 1. Name

The name of the limited liability company formed is "Prosper Funding LLC."

Section 2. Principal Business Office

The principal business office of the Company shall be located at 111 Sutter Street, 22nd Floor, San Francisco, CA 94104 or such other location as may hereafter be determined by the Member.

Section 3. Registered Office

The address of the registered office of the Company in the State of Delaware is 615 South DuPont Highway, Dover, Delaware, 19901, County of Kent.

Section 4. Registered Agent

The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is National Corporate Research, Ltd., 615 South DuPont Highway, Dover, Delaware, 19901, County of Kent.

Section 5. Members

(a) The mailing address of the Member is set forth on Schedule B attached hereto. The Member was admitted to the Company as a member of the Company upon its execution of a counterpart signature page to the Initial Agreement.

(b) Subject to Section 9(j), the Member may act by written consent.

(c) Upon the occurrence of any event that causes the Member to cease to be a member of the Company (other than (i) upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 21 and 23, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 22 and 23), each person acting as an Independent Director pursuant to Section 10 shall, without any action of any Person and simultaneously with the Member ceasing to be a member of the Company, automatically be admitted to the Company as a Special Member and shall continue the Company without dissolution. No Special Member may resign from the Company or transfer its rights as Special Member unless (i) a successor Special Member has been admitted to the Company as Special Member by executing a counterpart signature page to this Agreement, and (ii) such successor has also accepted its appointment as an Independent Director pursuant to Section 10; provided, however, the Special Members shall automatically cease to be members of the Company upon the admission to the Company of a substitute Member. Each Special Member shall be a member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets. Pursuant to Section 18-301 (or any successor provision) of the Act, a Special Member shall not be required to make any capital contributions to the Company and shall not receive a limited liability company interest in the Company. A Special Member, in its capacity as Special Member, may not bind the Company. Except as required by any mandatory provision of the Act, each Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Company, including, without limitation, the merger, consolidation or conversion of the Company. In order to implement the admission to the Company of each Special Member, each person acting as an Independent Director pursuant to Section 10 shall execute a counterpart signature page to this Agreement. Prior to its admission to the Company as a Special Member, each person acting as an Independent Director pursuant to Section 10 shall not be a member of the Company.

Section 6. Certificates

Michael S. Himmel was designated as an "authorized person" within the meaning of the Act and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, his powers as an "authorized person" ceased, and the Member thereupon became the designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the Act. The Member or an Officer shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes

(a) The sole purpose to be conducted or promoted by the Company is to engage in the following activities:

(i) to own and operate the Prosper System;

(ii) to purchase or otherwise acquire, own (and to exercise and enforce all rights and powers conferred by or incidental to such ownership), hold, finance, transfer, sell, convey, dispose of, pledge, assign or otherwise deal with Borrower Loans;

(iii) to issue and sell Securities;

(iv) to execute, deliver, and perform its obligations under the Program Documents;

(v) without limitation to Section 7(a)(iv), to provide for the servicing of the Borrower Loans and the administration of the Prosper System pursuant to the Administration Agreement (or, if applicable, any other agreement between the Company and another entity acting as servicer of the Borrower Loans and/or administrator of the Prosper System);

(vi) to pledge or otherwise grant security interests in the Borrower Loans and certain other Company assets pursuant to the Indenture;

(vii) without limitation to Section 7(a)(iv), to enter into agreements with third parties regarding (i) the administration of the Borrower Loans in accordance with the Program Documents, (ii) the Company's own management and operations and (iii) the issuing, paying, sale and administration of the Securities and other obligations;

(viii) to file registration statements, and make all other requisite filings, with the SEC and State securities commissions, and to issue prospectuses and furnish other offering materials and related information in relation to the Securities;

(ix) to take any and all other action necessary to maintain the existence of the Company as a limited liability company in good standing under the laws of the State of Delaware and/or to qualify the Company to do business as a foreign limited liability company in any other state or foreign jurisdiction in which such qualification is desirable or required;

(x) to establish bank accounts and make investments as are necessary, convenient or advisable to accomplish the activities set forth herein;

(xi) to contract with third parties to provide services as may be required from time to time by the Company, including legal, investment, accounting, data processing, administrative and management services; and

(xii) to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purposes.

(b) The Company, by or through the Member, or any Director or Officer on behalf of the Company, may enter into and perform the Program Documents, all without any further act, vote or approval of any other Person notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation. The foregoing authorization shall not be deemed a restriction on the powers of the Member or any Director or Officer to enter into other agreements on behalf of the Company.

Section 8. Powers

Subject to Section 9(j), the Company, and the Board of Directors and the Officers of the Company on behalf of the Company, (i) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (ii) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act. No Officer, Independent Director or Director shall have the power to make an election to treat the Company as an association taxable as a corporation for U.S. federal, state and local income tax purposes (including an election under Treasury Regulation § 301.7701-3(c)).

Section 9. Management

(a) Board of Directors. Subject to Section 9(j), the business and affairs of the Company shall be managed by or under the direction of a Board of one or more Directors designated by the Member. Subject to Section 10, the Member may determine at any time in its sole and absolute discretion the number of Directors to constitute the Board. The authorized number of Directors may be increased or decreased by the Member at any time in its sole and absolute discretion, upon notice to all Directors, and subject in all cases to Section 10. The initial number of Directors shall be five, two of which shall be Independent Directors pursuant to Section 10. Each Director elected, designated or appointed by the Member shall hold office until a successor is elected and qualified or until such Director's earlier death, resignation, expulsion or removal. The initial Directors designated by the Member are listed on Schedule C hereto.

(b) Powers. Subject to Section 9(j), the Board of Directors shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. Subject to Section 7, the Board of Directors has the authority to bind the Company.

(c) Meeting of the Board of Directors. The Board of Directors of the Company may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the President on not less than one day's notice to each Director by telephone, facsimile, mail, telegram or any other means of communication, and special meetings shall be called by the President or Secretary in like manner and with like notice upon the written request of any one or more of the Directors.

(d) Quorum: Acts of the Board. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and, except as otherwise provided in any other provision of this Agreement, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee, as the case may be.

(e) Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in meetings of the Board, or any committee, by means of telephone conference or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in Person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

(f) Committees of Directors.

(i) The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the Directors of the Company. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(ii) In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

(iii) Any such committee, to the extent provided in the resolution of the Board, and subject to, in all cases, Sections 9(j) and 10, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

(g) Compensation of Directors; Expenses. The Board shall have the authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at meetings of the Board, which may be a fixed sum for attendance at each meeting of the Board or a stated salary as Director. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

(h) Removal of Directors. Unless otherwise restricted by law, any Director or the entire Board of Directors may be removed or expelled, with or without cause, at any time by the Member, and, subject to Section 10, any vacancy caused by any such removal or expulsion may be filled by action of the Member.

(i) Directors as Agents. To the extent of their powers set forth in this Agreement and subject to Section 9(j), the Directors are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers set forth in this Agreement shall bind the Company. Notwithstanding the last sentence of Section 18-402 of the Act, except as provided in this Agreement or in a resolution of the Directors, a Director may not bind the Company.

(j) Limitations on the Company's Activities.

(i) This Section 9(j) is being adopted in order to comply with certain provisions required in order to qualify the Company as a "special purpose" entity.

(ii) The Member shall not, so long as any Security is outstanding, amend, alter, change or repeal the definition of "Independent Director" or Sections 5(c) , 7, 8, 9(a), 9(j), 10, 16, 20, 21, 22, 23, 24, 25, 26 or 31 or Schedule A of this Agreement without the unanimous written consent of the Board (including all Independent Directors). Subject to this Section 9(j), the Member reserves the right to amend, alter, change or repeal any provisions contained in this Agreement in accordance with Section 31.

(iii) Notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Company, the Member, the Board, any Officer or any other Person, neither the Member nor the Board nor any Officer nor any other Person shall be authorized or empowered, nor shall they permit the Company, without the prior unanimous written consent of the Member and the Board (including all Independent Directors), to take any Material Action (provided, however, that the Board may not vote on, or authorize the taking of, any Material Action, unless there are at least two Independent Directors then serving in such capacity).

(iv) Notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Company, the Member, the Board, any Officer or any other Person, neither the Member nor the Board nor any Officer nor any other Person shall be authorized or empowered, nor shall they permit the Company to terminate the Administration Agreement, without:

(A) the Member's and the Board's determination that with respect to the proposed termination of the Administration Agreement, the Company or a third party has the ability and has agreed to provide the services currently provided by the Member under the Administration Agreement on commercially reasonable terms and in compliance with the applicable terms and conditions of the Indenture; and

(B) the prior unanimous written consent of the Member and the Board (including all Independent Directors), to terminate the Administration Agreement (provided, however, that the Board may not vote on, or authorize the termination of the Administration Agreement, unless there are at least two Independent Directors then serving in such capacity).

(v) The Board and the Member shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if the Board shall determine that the preservation thereof is no longer desirable for the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Company. The Board also shall cause the Company to:

(A) maintain its own separate books and records and bank accounts separate from those of the Member or any other Person;

(B) at all times hold itself out to the public and all other Persons as a legal entity separate from the Member and any other Person;

(C) have a Board of Directors separate from that of the Member and any other Person;

(D) file its own tax returns, if any, as may be required under applicable law, to the extent (1) not part of a consolidated group filing a consolidated return or returns or (2) not treated as a division for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable law;

(E) except as contemplated by the Program Documents, not commingle its assets with assets of any other Person and maintain its funds and other assets such that they shall be separately identified and segregated from those of the Member and any other Person;

(F) conduct its business in its own name so as not to mislead third parties as to the identity of the entity with which such third parties are dealing and strictly comply with all organizational formalities to maintain its separate existence;

(G) maintain separate financial statements and ensure that such financial statements indicate (in the notes thereto or otherwise) the separate existence of the Company and the Member and their respective assets and liabilities and to the extent the assets and liabilities of the Company are represented on the financial statements of the Member, ensure that such financial statements indicate (in the notes or otherwise) the separate existence of the Company and the Member and their separate assets and liabilities;

(H) pay its operating expenses and own liabilities only out of its own funds and not from the funds of any other Person;

(I) maintain an arm's length relationship with its Affiliates and the Member and ensure that all transactions between the Company and its Affiliates are on terms and conditions that are not materially more favorable to the Affiliate than the terms and conditions that would be expected to have been obtained under similar circumstances, from a non-Affiliate;

(J) pay the salaries of its own employees, if any;

(K) not hold out its credit or assets as being available to satisfy the obligations of others;

(L) allocate fairly and reasonably any overhead for shared office space and pay for its share of such overhead;

(M) so as not to mislead third parties as to the identity of the entity with which such third parties are dealing, maintain and utilize separate stationery, invoices and checks;

(N) except as contemplated by the Program Documents, not pledge its assets for the benefit of any other Person;

(O) correct any known misunderstanding regarding its separate identity;

(P) maintain adequate capital in light of its contemplated business purpose, transactions and liabilities;

(Q) ensure that it does not enter into any agreement to be named, directly or indirectly, as a direct or contingent beneficiary or loss payee on any insurance policy covering the property of any other Person;

(R) ensure that it will not conceal from creditors any of its assets or participate in concealing the assets of any other person or entity;

(S) cause its Board of Directors to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other Delaware limited liability company formalities;

(T) not acquire any securities of the Member (other than the purchase or other acquisition of certain borrower payment dependent notes issued by the Member, and the related borrower loans); and

(U) cause the Directors, Officers, agents and other representatives of the Company to act at all times with respect to the Company consistently and in furtherance of the foregoing and in the best interests of the Company.

Failure of the Company, or the Member or Board on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member or the Directors.

(vi) So long as any Security is outstanding, the Board shall not cause or permit the Company to:

(A) except as contemplated by the Program Documents, guarantee any obligation of any Person, including any Affiliate;

(B) engage, directly or indirectly, in any business other than the actions required or permitted to be performed under Section 7;

(C) incur, create or assume any indebtedness other than as permitted under the Program Documents;

(D) make or permit to remain outstanding any loan or advance to any Person, except that the Company may invest in those investments permitted under the Program Documents and may make any advance required or permitted to be made pursuant to any provisions of the Program Documents and permit the same to remain outstanding in accordance with such provisions;

(E) to the fullest extent permitted by law, engage in any dissolution, liquidation, consolidation, merger, asset sale or transfer of ownership interests other than such activities as are permitted pursuant to the Program Documents; or

(F) form, acquire or hold any subsidiary (whether corporate, partnership, limited liability company or other), except as permitted pursuant to the Program Documents.

Section 10. Independent Director

As long as any Security is outstanding, the Member shall cause the Company at all times to have at least two Independent Directors who will be appointed by the Member. To the fullest extent permitted by law, including Section 18-1101(c) (or any successor provision) of the Act, the Independent Directors shall consider only the interests of the Company, including its respective creditors, in acting or otherwise voting on the matters referred to in Sections 9(j)(iii) and (iv). No resignation or removal of an Independent Director, and no appointment of a successor Independent Director, shall be effective until such successor (i) shall have accepted his or her appointment as an Independent Director by a written instrument and (ii) shall have executed a counterpart signature page to this Agreement as required by Section 5(c). In the event of a vacancy in the position of Independent Director, the Member shall, as soon as practicable, appoint a successor Independent Director. All right, power and authority of the Independent Directors shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. Except as provided in the second sentence of this Section 10, in exercising their rights and performing their duties under this Agreement, any Independent Director shall have a fiduciary duty of loyalty and care similar to that of a director of a business corporation organized under the General Corporation Law of the State of Delaware. No Independent Director shall at any time serve as trustee in bankruptcy for any Affiliate of the Company.

Section 11. Officers

(a) Officers. The initial Officers of the Company were designated by the Member in the Initial Agreement. The additional or successor Officers of the Company shall be chosen by the Board and shall consist of at least a President, a Secretary and a Treasurer. The Board of Directors may also choose one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers and such other Officers and agents as it shall deem necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same person. The salaries of all Officers and agents of the Company shall be fixed by or in the manner prescribed by the Board. The Officers of the Company shall hold office until their successors are chosen and qualified. Any Officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board. Any vacancy occurring in any office of the Company shall be filled by the Board. The current Officers of the Company are listed on Schedule D hereto.

(b) President. The President shall be the chief executive officer of the Company, shall preside at all meetings of the Board, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Board are carried into effect. The President or any other Officer authorized by the President or the Board shall execute all bonds, mortgages and other contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including Section 7(b); (ii) where signing and execution thereof shall be expressly delegated by the Board to some other Officer or agent of the Company, and (iii) as otherwise permitted in Section 11(c).

(c) Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Directors, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(d) Secretary and Assistant Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Board and record all the proceedings of the meetings of the Company and of the Board in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Member, if any, and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President, under whose supervision the Secretary shall serve. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board (or if there be no such determination, then in order of their election), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board may from time to time prescribe

(e) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and to the Board, at its regular meetings or when the Board so requires, an account of all of the Treasurer's transactions and of the financial condition of the Company. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(f) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Board not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 9(j), the actions of the Officers taken in accordance with such powers shall bind the Company.

(g) Duties of Board and Officers. Except to the extent otherwise provided herein, each Director and Officer shall have a fiduciary duty of loyalty and care similar to that of directors and officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 12. Limited Liability

Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and neither the Member nor the Special Members nor any Officer or Director shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, Special Member, Officer or Director of the Company.

Section 13. Capital Contributions

The Member has contributed to the Company property of an agreed value as listed on Schedule B attached hereto. In accordance with Section 5(c), the Special Members shall not be required to make any capital contributions to the Company.

Section 14. Additional Contributions

The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time. The provisions of this Agreement, including this Section 14, are intended to benefit the Member and the Special Members and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor of the Company shall be a third-party beneficiary of this Agreement) and the Member and the Special Members shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 15. Allocation of Profits and Losses.

The Company's profits and losses shall be allocated to the Member.

Section 16. Distributions

Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Board. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to the Member on account of its interest in the Company if such distribution would violate Section 18-607 (or any successor provision) of the Act or any other applicable law or any Program Document.

Section 17. Books and Records

The Board shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Board. The Member and its duly authorized representatives shall have the right to examine the Company books, records and documents during normal business hours. The Company, and the Board on behalf of the Company, shall not have the right to keep confidential from the Member any information that the Board would otherwise be permitted to keep confidential from the Member pursuant to Section 18-305(c) (or any successor provision) of the Act. The Company's books of account shall be kept using the method of accounting determined by the Member. The Company's independent auditor, if any, shall be an independent public accounting firm selected by the Member.

Section 18. Reports

(a) The Board shall use diligent efforts to cause to be prepared and mailed to the Member, within 180 days after the end of each fiscal year, an audited or unaudited report setting forth as of the end of such fiscal year:

(i) a balance sheet of the Company;

(ii) an income statement of the Company for such fiscal year; and

(iii) a statement of the Member's capital account.

(b) The Board shall, after the end of each fiscal year, use reasonable efforts to cause the Company's independent accountants, if any, to prepare and transmit to the Member as promptly as possible any such tax information as may be reasonably necessary to enable the Member to prepare its federal, state and local income tax returns relating to such fiscal year. Nothing in this Section 18 shall limit the Company from hiring a person or company to perform its bookkeeping, accounting or other related services.

Section 19. Other Business

The Member, the Special Members and any Affiliate of the Member or the Special Members may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

Section 20. Exculpation and Indemnification

(a) To the fullest extent permitted by applicable law, neither the Member nor the Special Members nor any Officer, Director, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member or the Special Members (collectively, the "Covered Persons") shall be liable to the Company or any other Person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 20 by the Company shall be provided out of and to the extent of Company assets only, and the Member and the Special Members shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding may, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 20.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement or any approval or authorization granted by the Company or any other Covered Person. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member and the Special Members to replace such other duties and liabilities of such Covered Person.

(f) Notwithstanding any other provisions contained in this Section 20 to the contrary, the Company shall not pay, nor be obligated to pay, any amount pursuant to this Section 20 other than from funds available to the Company that are not required to be applied to payments on the Securities. Any amount which the Company does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in Section 101 of the U.S. Bankruptcy Code) against or obligation of the Company for any insufficiency unless and until the Company satisfies the provisions above.

(g) The foregoing provisions of this Section 20 shall survive any termination of this Agreement.

Section 21. Assignments

Subject to Section 23, the Member may assign in whole or in part its limited liability company interest in the Company; provided that, prior to the transfer, the Member must deliver to the Board and the Independent Directors an opinion of counsel to the effect that such transfer will not result in the Company being treated as a "publicly traded partnership" under Section 7704 of the Code. If the Member transfers all of its limited liability company interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company. Notwithstanding anything in this Agreement to the contrary, any successor to the Member by merger or consolidation in compliance with the Program Documents shall, without further act, be the Member hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement and the Company shall continue without dissolution.

Section 22. Resignation

So long as any Security is outstanding, the Member may not resign, except as permitted under the Program Documents. If the Member is permitted to resign pursuant to this Section 22, an additional member of the Company shall be admitted to the Company, subject to Section 23, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Member shall cease to be a member of the Company.

Section 23. Admission of Additional Members

One or more additional members of the Company may be admitted to the Company with the written consent of the Member.

Section 24. Dissolution

(a) Subject to Section 9(j), the Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the business of the Company is continued in a manner permitted by this Agreement or the Act or (ii) the entry of a decree of judicial dissolution under Section 18-802 (or any successor provision) of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member or a Special Member shall not cause the Member or Special Member, respectively, to cease to be a member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

(c) Notwithstanding any other provision of this Agreement, each of the Member and the Special Members waives any right it might have under Section 18-801(b) (or any successor provision) of the Act to agree in writing to dissolve the Company upon the Bankruptcy of the Member or a Special Member, or the occurrence of an event that causes the Member or a Special Member to cease to be a member of the Company.

(d) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 (or any successor provision) of the Act.

(e) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and Program Documents and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

Section 25. Waiver of Partition; Nature of Interest

Except as otherwise expressly provided in this Agreement, to the fullest extent permitted by law, each of the Member and the Special Members hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. The Member shall not have any interest in any specific assets of the Company, and the Member shall not have the status of a creditor with respect to any distribution pursuant to Section 16 hereof. The interest of the Member in the Company is personal property.

Section 26. Benefits of Agreement; No Third-Party Rights

None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of the Member or a Special Member. Nothing in this Agreement shall be deemed to create any right in any Person (other than Covered Persons) not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person (except as provided in Section 29).

Section 27. Severability of Provisions

Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 28. Entire Agreement

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof

Section 29. Binding Agreement

Notwithstanding any other provision of this Agreement, the Member agrees that this Agreement constitutes a legal, valid and binding agreement of the Member, and is enforceable against the Member by the Independent Directors, in accordance with its terms. In addition, the Independent Directors shall be intended beneficiaries of this Agreement.

Section 30. Governing Law

This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 31. Amendments

Subject to Section 9(j), this Agreement may be modified, altered, supplemented or amended pursuant to a written agreement executed and delivered by the Member.

Section 32. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

Section 33. Notices

Any notices required to be delivered hereunder shall be in writing and personally delivered, mailed or sent by telecopy, electronic mail or other similar form of rapid transmission, and shall be deemed to have been duly given upon receipt (a) in the case of the Company, to the Company at its address in Section 2, (b) in the case of the Member, to the Member at its address as listed on Schedule B attached hereto (c) in the case of any Special Member, at the address set forth on his respective signature page hereto, and (d) in the care of any of the foregoing, at such other address as may be designated by written notice to the other parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has duly executed this Second Amended and Restated Limited Liability Company Agreement as of the date first above written.

Member: PROSPER MARKETPLACE, INC.

By: /s/ Dawn Lepore
Name: Dawn Lepore
Title: President and CEO

Independent Director (who may become a Special Member):

By: /s/ Bernard J. Angelo
Name: Bernard J. Angelo

Independent Director (who may become a Special Member):

By: /s/ Kevin P. Burns
Name: Kevin P. Burns

SCHEDULE A

Definitions

A. Definitions

When used in this Agreement, the following terms not otherwise defined herein have the meanings set forth below. Any other capitalized term used but not defined herein shall have the meaning assigned to such term in the Indenture or, if not defined therein, in the Administration Agreement.

"Act" has the meaning set forth in the preamble to this Agreement.

"Administration Agreement" means the Administration Agreement to be entered into between the Company and the Member, pursuant to which the Member will agree to (i) manage the Prosper System on behalf of the Company, (ii) provide certain administrative services to the Company, and (iii) service the Borrower Loans and Securities on behalf of the Company.

"Agreement" means this Amended and Restated Limited Liability Company Agreement of the Company, together with the schedules attached hereto, as amended, supplemented or otherwise modified from time to time.

"Bankruptcy" means, with respect to any Person, if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (vii) if 90 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 60 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 60 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy" is intended to replace and shall supersede and replace the definition of "Bankruptcy" set forth in Sections 18-101(1) and 18-304 (or any successor provisions) of the Act.

"Board" or "Board of Directors" means the Board of Directors of the Company.

"Borrower" means the obligor on any Borrower Loan.

"Certificate of Formation" means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on February 17, 2012, as amended or amended and restated from time to time.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means Prosper Funding LLC, a Delaware limited liability company.

"Directors" means the Persons elected to the Board of Directors from time to time by the Member, including the Independent Directors, in their capacity as managers of the Company. A Director is hereby designated as a "manager" of the Company within the meaning of Section 18-101(10) (or any successor provision) of the Act.

"Indenture" means the Indenture relating to the Securities to be entered into between the Company and Wells Fargo Bank, National Association, as Trustee, and any supplements thereto.

"Independent Director" means a natural person that has at least three years' experience as an independent manager or director at a nationally recognized organization that provides independent director services and who, for the five-year period prior to his or her appointment as Independent Director has not been, and during the continuation of his or her service as Independent Director is not: (i) an employee, director, stockholder, partner, officer, creditor, supplier, manager, contractor, or direct or indirect legal or beneficial owner of the Company, the Member**,** the Bank or the Servicer or any of their respective Affiliates or delegates (of which the Company has knowledge) (other than his or her service as Independent Director); (ii) any member of the immediate family of any person described in (i); or (iii) any person who controls, either directly, indirectly or otherwise, any person described in (i) or (ii).

"Material Action" means to amend or purport to amend the provisions of Section 7(a) of this Agreement, consolidate or merge the Company with or into any Person, or, other than through the Company's issuance of the Securities, to sell all or substantially all of the assets of the Company, or to institute proceedings to have the Company be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Company or file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, or make any assignment for the benefit of creditors of the Company, or admit in writing the Company's inability to pay its debts generally as they become due, or take action in furtherance of any such action, or, to the fullest extent permitted by law, dissolve or liquidate the Company, or enter into any agreement, contract or arrangement with the Member or any affiliate of the Company, or with any other person, that (i) creates or reasonably could create, directly or indirectly, any material obligations or liabilities for the Company in favor of, on behalf of or for the benefit of the Member or any affiliate of the Company (including any guarantees of any performance or payment obligations thereof), (ii) that materially restricts or changes the business or operations of the Company or commits the Company to transact all or any material portion thereof with, through or with the assistance of the Member or any other affiliate of the Company, (iii) that obligates the Company to pay, reimburse or fund, directly or indirectly, substantial fees, compensation or consideration to, on behalf of or for the benefit of the Member or any affiliate of the Company, (iv) the subject matter of which involves or reasonably could involve commitment to acquire or to assign, transfer, pledge or dispose of all or any material portion of the current, expected, projected or potentially obtained assets, proceeds of assets, or revenues of the Company.

"Member" means Prosper Marketplace, Inc., as the initial member of the Company, and includes any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company; provided, however, the term "Member" shall not include the Special Members.

"Officer" means an officer of the Company described in Section 11.

"Program Documents" means the Indenture, the Loan Sale Agreement, the Administration Agreement, the Borrower Registration Agreements, the Lender Registration Agreements and any other agreements or instruments related to or arising from any of the foregoing or otherwise related to the Company's ownership and operation of the Prosper System, purchase of Borrower Loans, or issuance, sale or payment of the Securities and/or the servicing of Borrower Loans.

"Prosper System" means the proprietary, internet-based peer-to-peer lending platform developed by the Member and transferred to the Company, through which Borrowers may obtain Borrower Loans and qualified investors may purchase Securities.

"Special Member" means, upon such person's admission to the Company as a member of the Company pursuant to Section 5(c), a person acting as Independent Director, in such person's capacity as a member of the Company. A Special Member shall only have the rights and duties expressly set forth in this Agreement.

B. Rules of Construction

Definitions in this Agreement apply equally to both the singular and plural forms of the defined terms. The words "include" and "including" shall be deemed to be followed by the phrase "without limitation." The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, paragraph or subdivision. The Section titles appear as a matter of convenience only and shall not affect the interpretation of this Agreement. All Section, paragraph, clause, Exhibit or Schedule references not attributed to a particular document shall be references to such parts of this Agreement. All references to agreements shall include such agreements as they may be supplemented, amended or otherwise modified from time to time. All references to a Person shall include such Person's successors and assigns.

SCHEDULE B

Member

Name	Mailing Address	Agreed Value of Capital Contribution	Membership Interest
Prosper Marketplace, Inc.	111 Sutter Street, 22nd Floor, San Francisco, CA 94104	$100	100%

SCHEDULE C

DIRECTORS

1. Joseph Toms

2. Kirk Inglis

3. Sachin Adarkar

4. Bernard J. Angelo

5. Kevin P. Burns

SCHEDULE D

Joseph Toms	President
Kirk Inglis	Vice President
Sachin Adarkar	Secretary
Daniel Sanford	Treasurer

Exhibit 4.1

Execution Version

FIRST SUPPLEMENTAL INDENTURE

This FIRST SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of January 22, 2013 and effective as of the Effective Time (as defined in Section 5(a) below), is entered into by and among Prosper Marketplace, Inc., a Delaware corporation ("PMI"), Prosper Funding LLC, a Delaware limited liability company ("Prosper Funding"), and Wells Fargo Bank, National Association, a national banking association incorporated and existing under the laws of the United States of America, as trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, PMI and the Trustee have heretofore entered into that Indenture, dated as of June 15, 2009 (the "Indenture"), providing for the issuance from time to time of special limited obligations of PMI referred to as Borrower Payment Dependent Notes (referred to herein collectively as the "Securities"), to be issued in series as provided therein;

WHEREAS, PMI and Prosper Funding entered into that Asset Transfer Agreement, dated as of January 22, 2013 (the "Asset Transfer Agreement"), pursuant to which, among other things, PMI will transfer all of its properties and assets substantially as an entirety to Prosper Funding, including without limitation all of PMI's rights and obligations with respect to the Securities;

WHEREAS, Section 4.1 of the Indenture sets forth the terms upon which, in connection with a transfer of all of PMI's properties and assets substantially as an entirety to any successor person, such successor person may assume, by an indenture supplemental to the Indenture, all of the obligations of PMI under the Securities and the Indenture, and succeed to, and be substituted for, and be entitled to exercise every right and power of, PMI under the Indenture with the same effect as if such successor person had been named as PMI under the Indenture, with PMI to be discharged thereafter from all obligations and covenants under the Securities and the Indenture;

WHEREAS, this Supplemental Indenture is the indenture supplemental to the Indenture referred to in Section 4.1 of the Indenture, and Prosper Funding desires to assume, as of the Effective Time, all of the obligations of PMI under the Securities and the Indenture as provided by this Supplemental Indenture, as a result of which Prosper Funding will succeed to and be substituted for PMI under the Indenture from and after the Effective Time;

WHEREAS, the parties hereto also desire to amend and restate the Indenture, as of the Effective Time, in order to (i) reflect the succession by Prosper Funding to, and substitution of Prosper Funding for, PMI under the Securities and the Indenture, and (ii) make certain other amendments to the Indenture;

WHEREAS, Section 8.1(a) of the Indenture provides that the Company (as defined in the Indenture) and the Trustee, without the consent of any Holder (as defined in the Indenture) of Securities, may enter into one or more indentures supplemental to the Indenture in order to evidence the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company in the Indenture and the Securities; and

WHEREAS, additionally, pursuant to Sections 8.1(e), 8.1(g) and 8.1(i) of the Indenture, the proposed amendments to the Indenture either (i) cure an ambiguity, defect or inconsistency of the Indenture, (ii) do not adversely affect the rights of any Holder of any Security in any material respect, or (iii) do not apply to, or modify the rights of the Holder of, any Security of any series created prior to the execution of the Amended and Restated Indenture (as defined below).

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

1. Assumption of Obligations. Effective as of the Effective Time, Prosper Funding hereby expressly assumes by this Supplemental Indenture all of the obligations of PMI under the Securities and the Indenture.

2. Substitution of Successor Person. Effective as of the Effective Time, Prosper Funding hereby succeeds to, and is substituted for, and may exercise every right and power of, PMI under the Indenture with the same effect as if Prosper Funding had been named as PMI under the Indenture.

3. Discharge of PMI. From and after the Effective Time, PMI is hereby discharged from all obligations and covenants under the Securities and the Indenture.

4. Amendment and Restatement of Indenture. Effective as of the Effective Time, the Indenture is hereby amended and restated to read in its entirety in the form attached hereto as Exhibit A (the "Amended and Restated Indenture"). The Amended and Restated Indenture is hereby incorporated into and made part of this Supplemental Indenture.

5. Effective Time; Deliverables.

(a) Subject to Section 5(b), the "Effective Time" shall occur at 12:01 a.m. (Pacific Time) on February 1, 2013, or at such other time and date as may be designated jointly by PMI and Prosper Funding in writing to the Trustee.

(b) The occurrence of the Effective Time shall be conditioned upon delivery to the Trustee, at or prior to the Effective Time, of: (i) a certificate, dated as of the date on which the Effective Time occurs, duly executed by authorized officers of PMI, in their capacity as such, substantially in the form attached hereto as Exhibit B; and (ii) an opinion of Covington & Burling LLP, counsel to PMI and Prosper Funding, substantially in the form attached hereto as Exhibit C.

6. Separability Clause. In case any provision of this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

7. No Recourse Against Others. No past, present or future director, manager, officer, employee, stockholder or member, as such, of Prosper Funding or PMI shall have any liability for any obligations of Prosper Funding or PMI, respectively, under this Supplemental Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Holder of such Security shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Securities.

8. Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

9. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

10. Benefits of Supplemental Indenture. Nothing in this Supplemental Indenture, express or implied, shall give to any person, other than the parties hereto and their successors hereunder and the Holders of Securities, any benefits or any legal or equitable right, remedy or claim under this Supplemental Indenture.

11. Multiple Originals. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF transmission shall be deemed to be their original signatures for all purposes.

12. Execution as Supplemental Indenture. This Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Indenture and, as provided in the Indenture, this Supplemental Indenture forms a part thereof.

13. Ratification and Incorporation of Indenture. As supplemented, amended and restated hereby, the Indenture, in the form of the Amended and Restated Indenture, is in all respects ratified and confirmed, and the Amended and Restated Indenture and this Supplemental Indenture shall be read, taken and construed as one and the same instrument.

14. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture. The Trustee accepts the amendments of the Indenture effected by this Supplemental Indenture, but on the terms and conditions set forth in the Indenture, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee. Without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by Prosper Funding or PMI, or for or with respect to (i) the validity or sufficiency of this Supplemental Indenture or any of the terms or provisions hereof, (ii) the proper authorization hereof by Prosper Funding or PMI by action or otherwise, (iii) the due execution hereof by Prosper Funding or PMI, or (iv) the consequences of any amendment herein provided for, and the Trustee makes no representation with respect to any such matters.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

PROSPER MARKETPLACE, INC.

By: /s/ Kirk Inglis
Name: Kirk Inglis
Title: Chief Operating Officer

PROSPER FUNDING LLC

By: /s/ Sachin Adarkar
Name: Sachin Adarkar
Title: Secretary

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: /s/ Raymond Delli Colli
Name: Raymond Delli Colli
Title: Vice President

[Signature Page to Supplemental Indenture]

Exhibit A

Amended and Restated Indenture

See attached.

Exhibit B

Officer's Certificate

See attached.

Exhibit C

Legal Opinion

See attached.

Exhibit 4.2

Execution Version

PROSPER FUNDING LLC

AMENDED AND RESTATED

BORROWER PAYMENT DEPENDENT NOTES

INDENTURE

Dated as of January 22, 2013

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Trustee

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Exhibits

Exhibit A	-	Form of Borrower Payment Dependent Note

THIS AMENDED AND RESTATED BORROWER PAYMENT DEPENDENT NOTES INDENTURE (this "*Indenture*"), dated as of January 22, 2013 and effective as of the Effective Time (as defined in the Supplemental Indenture (as defined below)), is entered by and between PROSPER FUNDING LLC, a Delaware limited liability company (the "*Company*"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association incorporated and existing under the laws of the United States of America, as trustee (the "*Trustee*").

RECITALS OF THE COMPANY

Prosper Marketplace, Inc., a Delaware corporation ("*PMI*"), and the Trustee heretofore entered into that Indenture, dated as of June 15, 2009 (the "*Original Indenture*"), providing for the issuance from time to time of special limited obligations referred to as Borrower Payment Dependent Notes (herein, individually and collectively, the "*Securities*"), to be issued in series as provided therein.

PMI and the Company entered into that certain Asset Transfer Agreement, dated as of January 22, 2013, pursuant to which, among other things, PMI will transfer all of its properties and assets substantially as an entirety to the Company (the "*Asset Transfer*"), including without limitation all of PMI's rights and obligations with respect to the Securities.

PMI, the Company and the Trustee entered into that certain indenture supplemental to the Original Indenture, dated as of January 22, 2013 (the "*Supplemental Indenture*"), pursuant to which:

(a) in connection with the Asset Transfer and pursuant to Section 4.1 of the Original Indenture, as of the Effective Time, the Company will assume all of the obligations of PMI under the Securities and the Original Indenture, and will succeed to, and be substituted for, and become entitled to exercise every right and power of, PMI under the Original Indenture with the same effect as if the Company had been named as PMI under the Original Indenture, and PMI will be discharged from all obligations and covenants under the Securities and the Original Indenture from and after the Effective Time; and

(b) pursuant to Section 8.1 of the Original Indenture, as of the Effective Time, the Original Indenture will be amended and restated in the form of this Indenture in order to (i) reflect the succession by Prosper Funding to, and substitution of Prosper Funding for, PMI under the Securities and the Indenture, and (ii) make certain other amendments to the Indenture that either (A) cure an ambiguity, defect or inconsistency of the Original Indenture, (B) do not adversely affect the rights of any Holder of any Security in any material respect, or (C) do not apply to, or modify the rights of, the Holder of any Security of any series created prior to the execution of this Indenture.

As of the Effective Time, unless otherwise expressly provided herein, this Indenture shall apply to all Securities of any series created prior to the Effective Time (the "*Original Securities*") and to all Securities of any series created at or after the Effective Time (the "*New Securities*").

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

The foregoing recitals are made as representations and statements of fact by the Company and not by the Trustee.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, for and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and ratable benefit of the Holders of the Securities or each series thereof as follows:

ARTICLE I

DEFINITIONS; INCORPORATION BY REFERENCE; OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions.

"*ACH System*" means the Automated Clearing House system of the U.S. Federal Reserve Board or a successor system providing electronic funds transfers between banks.

"*Administration Agreement*" means the Administration Agreement, dated as of January 22, 2013 and effective as of February 1, 2013, between the Company and the Servicer, as from time to time amended, restated or supplemented.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "*Control*" when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "*Controlling*" and "*Controlled*" have meanings correlative to the foregoing.

"*Board of Directors*" means the board of directors of the Company or any committee of such board authorized with respect to any matter to exercise the powers of the Board of Directors of the Company.

"*Board Resolution*" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"*Borrower Loan*" means a direct loan originated through the Platform.

"*Borrower Loan Net Payment*" means with respect to each Borrower Loan, all Borrower Loan Payments net of Other Payments and Charges and the Servicing Fee.

"*Borrower Loan Payment*" means, with respect to each Borrower Loan, all amounts received by the Company, and not reversed through the ACH System or by virtue of checks returned unpaid due to insufficient funds or for other reasons, in connection with the repayment of such Borrower Loan, including without limitation, all payments or prepayments of principal and interest, any late fees and any amounts received by the Company upon collection efforts or as proceeds of Borrower Loans.

"*Business Day*" means, except as otherwise specified as contemplated by Section 2.02(c), with respect to any place of payment or any other particular location referred to in this Indenture or in the Securities, each Monday, Tuesday, Wednesday, Thursday and Friday that is (i) not a day on which the ACH System is closed, and (ii) not a day on which banking institutions are authorized or obligated by law or executive order to close in San Francisco, California or New York, New York.

"*Capital Stock*" for any corporation or limited liability company means any and all stock or membership interests issued by that corporation or limited liability company and any rights to purchase, warrants, options, participations or similar interests (however designated) pertaining to any such stock or membership interests.

"*Company*" means the party named as the "Company" in the first paragraph of this Indenture until a successor replaces it pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor.

"*Company Request*" means a written request or order signed in the name of the Company (i) by its President or a Vice President, and (ii) by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee or, with respect to Section 6.02, any other employee of the Company named in an Officers' Certificate delivered to the Trustee.

"*Corporate Administrator*" means PMI in its capacity as the Corporate Administrator under the Administration Agreement or any successor or permitted assign thereunder.

"*Corresponding Borrower Loan*" means, with respect to a particular series of Securities, the Borrower Loan upon which such series of Securities is dependent for payment.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Deposit Account*" means a deposit account, as defined in Section 9-108 of the UCC, in the name of the Company held by the Trustee, or such additional or replacement account or accounts as may from time to time be maintained by the Company for the purpose of holding Borrower Loan Payments, provided any such account is deemed a deposit account under Section 9-108 of the UCC and is held by the Trustee.

"*Dollar*" or "*$*" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*FBO Account*" means a deposit account, as defined in Section 9-108 of the UCC, titled "Prosper Funding LLC for the benefit of its lender members," maintained by the Company at Wells Fargo Bank, National Association, or such additional or replacement account or accounts as may from time to time be maintained by the Company for the benefit of its lender members, provided any such account is deemed a deposit account under Section 9-108 of the UCC and is held by the Trustee.

"*Fee Account*" means an account maintained by the Company at Wells Fargo Bank, National Association, or such additional or replacement account or accounts as may from time to time be maintained by the Company for the purpose of holding amounts in respect of Other Payments and Charges and the Servicing Fee, either exclusively or with other amounts.

"*Final Maturity*" means, when used with respect to any Security, the date to which the Initial Maturity Date of such Security may be extended in accordance with its terms.

"*Final Maturity Date*" means, when used with respect to any Security, the date on which the Final Maturity of such Security occurs.

"*Holder*" or "*Securityholder*" when used with respect to any Security, means the person in whose name a Security is registered on the Company's books.

"*Indenture*" means this Indenture, as amended or supplemented from time to time in accordance with the terms hereof and shall include the terms of a particular series of Securities established as contemplated in Section 2.02(c).

"*Initial Maturity Date*" means the scheduled due date on which the final installment of principal and interest is payable on any Security.

"*Interest Payment Date*" when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"*LLC Agreement*" means the Limited Liability Company Agreement of the Company, dated as of March 1, 2012, as from time to time amended, restated or supplemented.

"*Lien*" means, with respect to any property or assets, any mortgage, charge, hypothecation, pledge or other security interest or encumbrance on such property or assets.

"*Maturity*" when used with respect to any Security, means the date on which an installment of Principal thereof or interest thereon becomes due and payable as therein or herein provided, whether at the Stated Maturity, Initial Maturity or Final Maturity, by declaration of acceleration, or otherwise.

"*Member*" means the sole equity member, or collectively all the equity members, of the Company under the LLC Agreement, or any successors or permitted assigns thereunder.

"*Non-sufficient Funds Fees*" means any fee imposed by the Company or a third-party servicer or collection agency in respect of a Borrower Loan when the Company's payment request is denied for any reason, including but not limited to nonsufficient funds in the borrower's bank account or the closing of such bank account.

"*Note Trader Platform*" means the internet-based trading platform operated and maintained by FOLIO*fn* Investments, Inc., on which the Company's lender members may offer their Securities for sale or bid on and purchase Securities offered for sale by other lender members of the Company, or any successor to such platform.

"*Officer*" means the President, any Vice President, the Treasurer, the Secretary, any Assistant Treasurer or any Assistant Secretary of the Company.

"*Officers' Certificate*" means a written certificate containing the information specified in Sections 9.04 and 9.06, signed in the name of the Company (i) by its President or a Vice President, and (ii) by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"*Opinion of Counsel*" means a written opinion containing the information specified in Sections 9.04 and 9.06, from legal counsel who is acceptable to the Trustee. The counsel may be an employee of, or counsel to, the Company or the Trustee.

"*Other Payments and Charges*" means (i) any Non-sufficient Funds Fees or fees charged to the borrower for making payments in a manner other than as provided in the Borrower Loan, which are received by the Company, a third-party servicer or collection agency in respect of such Borrower Loan, and (2) attorneys' fees or any collection fees imposed in connection with collection efforts on a delinquent Borrower Loan by the Company, a third-party servicer or collection agency, other than late payment fees specifically included in Borrower Loan Payments.

"*Payment Date*" means any Principal Payment Date or Interest Payment Date.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"*Platform*" means the Company's online marketplace through which an individual who registers with the Company as a borrower can request a Borrower Loan, and Persons who register with the Company as lenders can facilitate the funding of that Borrower Loan by committing to purchase Securities of the series corresponding to such Borrower Loan.

"*Platform Administrator*" means PMI in its capacity as the Loan Platform Administrator under the Administration Agreement or any successor to or permitted assign thereunder.

"*Principal*" or "*Principal Amount*" of a Security, except as otherwise specifically provided in this Indenture, means the outstanding principal of the Security.

"*Principal Payment Date*" when used with respect to any Security, means the Stated Maturity of an installment of Principal on such Security.

"*Program Documents*" has the meaning set forth in the LLC Agreement.

"*Prosper Rating*" means the proprietary rating assigned by the Company to each Borrower Loan at the time it is posted for bids on the Platform.

"*Prosper Score*" means the proprietary credit score assigned by the Company to each Borrower Loan and used by the Company in the calculation of Prosper Ratings.

"*Record Date*" for the amounts payable on any Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 2.02(c).

"*Sales Report*" means a prospectus supplement filed with the SEC by the Company pursuant to Rule 424 under the Securities Act, containing the information listed in Section 2.02(c) with respect to one or more series of Securities.

"*SEC*" means the Securities and Exchange Commission.

"*Security*" or "*Securities*" has the meaning set forth in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture, including, without limitation, any Original Securities and New Securities.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Securityholder*" or "*Holder*" when used with respect to any Security, means a person in whose name a Security is registered on the Company's books.

"*Servicer*" means PMI in its capacity as the Loan and Note Servicer under the Administration Agreement or any successor or permitted assign thereunder.

"*Servicing Fee*" means, with respect to any Borrower Loan, an annualized percentage rate, as specified by the Company and, if applicable, a third-party servicer with respect to a series of Securities, of the outstanding principal balance of the Borrower Loan.

"*Stated Maturity*" when used with respect to any installment of Principal thereof or interest thereon, means the date specified in such Security as the fixed date on which an amount equal to such installment of Principal thereof or interest thereon is due and payable.

"*Subsidiary*" means, with respect to any Person, a corporation or limited liability company of which a majority of the Capital Stock having voting power under ordinary circumstances to elect a majority of the board of directors of such corporation or the board of directors or managers of such limited liability company is owned by (i) such Person, (ii) such Person and one or more Subsidiaries or (iii) one or more Subsidiaries of such Person.

"*TIA*" means the Trust Indenture Act of 1939 as in effect on the date of this Indenture, except as provided in Section 8.03.

"*Trust Officer*" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"*Trustee*" means the party named as the "Trustee" in the first paragraph of this Indenture until a successor replaces it pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor.

"*UCC*" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York, except with respect to perfection matters which shall be governed by the Uniform Commercial Code of the relevant jurisdiction necessary to effect the perfection of a security interest.

"*United States*" means the United States of America, its territories, its possessions (including the Commonwealth of Puerto Rico), and other areas subject to its jurisdiction.

Section 1.02 Other Definitions.

Term	Defined in Section
Asset Transfer	Recitals
Bankruptcy Law	5.01
Collateral	6.12
Company	Preamble
Custodian	5.01
Defaulted Payment	2.10
Event of Default	5.01
Excess Amounts	6.12
form of Securities	2.01
Indenture	Preamble
Legal Holiday	9.09
New Securities	Recitals
Notice of Default	5.01
Original Indenture	Recitals
Original Securities	Recitals
Outstanding	2.08
Paying Agent	2.04
PMI	Recitals
Registrar	2.04
Security Interest	6.12
Supplemental Indenture	Recitals
Trustee	Preamble

Section 1.03 Incorporation by Reference of Trust Indenture Act. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

"*Commission*" means the SEC.

"*Indenture Securities*" means the Securities.

"*Indenture Security Holder*" means a Holder or Securityholder.

"*Indenture to be Qualified*" means this Indenture.

"*Indenture Trustee*" or "*Institutional Trustee*" means the Trustee.

"*Obligor*" on the indenture securities means the Company.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

Section 1.04 Rules of Construction. Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles in the United States as in effect from time to time;

(c) all references herein to Articles, Sections or Exhibits shall be construed to refer to Articles, Sections and Exhibits of this Indenture;

(d) "or" is not exclusive;

(e) "including" means including, without limitation; and

(f) words in the singular include the plural, and words in the plural include the singular.

Section 1.05 Amendment and Restatement. Effective as of the Effective Time, this Indenture amends, restates and supersedes in its entirety the Original Indenture.

ARTICLE II

THE SECURITIES

Section 2.01 Forms Generally. The definitive Securities of each series created after the date hereof and the certificate of authentication in respect thereof shall be in substantially the form set forth on Exhibit A (the "*form of Securities*"), in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the Officers executing such Securities as evidenced by their execution of the Securities. The Securities shall be in fully registered form only and shall be printed, lithographed, engraved, word processed or evidenced in electronic form or produced by any combination of these methods or may be produced in any other manner, all as determined by the Officers executing such Securities as evidenced by their execution of such Securities.

Section 2.02 Title, Terms and Denominations.

(a) The aggregate Principal Amount of Securities that may be authenticated and delivered under this Indenture shall be unlimited.

(b) The Securities shall be special limited obligations of the Company and no payments of Principal and interest on the Securities of any series shall be payable unless the Company has received Borrower Loan Payments in respect of the Corresponding Borrower Loan, and then shall be payable equally and ratably on the Securities of such series only to the extent of the Borrower Loan Net Payments related to the Corresponding Borrower Loan. No Holder of a Security shall have any recourse against the Company unless and then only to the extent that the Company (i) has failed to pay such Holder the Holder's pro rata share of the Borrower Loan Net Payments in respect of the Corresponding Borrower Loan, or (ii) has otherwise breached a covenant in this Indenture.

(c) For each series of Securities there shall be established and, subject to Section 2.03, set forth in a Sales Report or any indenture supplemental hereto the following terms, to the extent such terms are not set forth in or otherwise differ from the terms set forth in this Indenture or the form of Securities annexed hereto as Exhibit A:

(i) the aggregate Principal Amount of the Securities of the series;

(ii) the Corresponding Borrower Loan;

(iii) the Initial Maturity Date and Payment Dates of the Securities of the series and the Record Date for any amounts payable on any Payment Date;

(iv) the stated rate at which the Securities of the series shall bear interest;

(v) any restrictions on the transfer or transferability of Securities of the series;

(vi) the Servicing Fee;

(vii) the obligation, if any, of the Company to redeem Securities of the series at the option of a Holder thereof, the conditions, if any, giving rise to such obligation, and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series shall be purchased, in whole or in part;

(viii) the denominations in which any Securities of the series shall be issuable;

(ix) any addition to, change in or elimination of the Events of Default which apply to any Securities of the series, and any change in the right of the Trustee or the requisite Holders of such Securities to declare the Principal Amount thereof due and payable pursuant to Section 5.02;

(x) any addition to, change in or elimination of the covenants set forth in Article III which apply to Securities of the series; and

(xi) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 8.01(g)).

All Securities of a series shall be substantially identical except as to denomination and except as may otherwise be provided in a Sales Report pursuant to this Section 2.02(c) or in any indenture supplemental hereto.

(d) Prior to the issuance of the initial series of Securities under this Indenture, a copy of the Board Resolution authorizing the execution, delivery and performance of this Indenture shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee, together with an Officers' Certificate complying with Section 9.04 and Section 9.06.

Section 2.03 Execution, Authentication, Delivery and Dating. The Securities shall be executed on behalf of the Company by its President or one of its Vice Presidents, or the Treasurer or any Assistant Treasurer. The signature of any of these officers on the Securities may be electronic, manual or facsimile.

Securities bearing the electronic, manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture (and subject to delivery of the Board Resolution and Officers' Certificate as set forth in Section 2.02(d) prior to the issuance of the initial series of Securities), the Company may authenticate and deliver Securities of any series. Not later than January 15th and July 15th of each calendar year, the Company shall provide a record of all Securities executed and authenticated by the Company to the Trustee during the preceding semiannual period of July 1st through December 31st, or January 1st through June 30th, as applicable; provided, that the first such certificate delivered by the Company shall pertain to the period from the date of this Indenture through December 31, 2012.

In addition, prior to the issuance of the initial series of Securities under this Indenture, the Trustee shall receive, and shall be fully protected in conclusively relying upon, an Opinion of Counsel stating:

(a) that the form of such Securities has been, and the terms of such Securities will have been, duly authorized by the Company and established in conformity with the provisions of this Indenture;

(b) that such Securities, when (i) executed by the Company, (ii) completed, authenticated and delivered by the Company in accordance with this Indenture, and (iii) issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to customary exceptions; and

(c) that all laws and requirements in respect of the execution and delivery by the Company of such Securities have been complied with.

The Trustee may conclusively rely, as to the authorization by the Company of any series of Securities, the form and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and other documents delivered pursuant to Sections 2.02(c) and 2.02(d), Sections 9.04 and 9.06, and this Section 2.03, as applicable, at or prior to the time of the first authentication of Securities of the initial series of Securities unless and until it has received written notification that such opinion or other documents have been superseded or revoked. In connection with the authentication and delivery of Securities, the Trustee shall be entitled to assume, unless it has received written notice to the contrary or any of its Trust Officers has actual knowledge to the contrary, that the Company's authentication and delivery of such Securities do not violate any rules, regulations or orders of any governmental agency or commission having jurisdiction over the Company.

Each Security shall be dated the date of its authentication.

The Company may appoint an authenticating agent acceptable to the Trustee to authenticate Securities. Unless otherwise provided in the appointment, an authenticating agent may authenticate Securities whenever the Company may do so. Each reference in this Indenture to authentication by the Company includes authentication by such agent.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Company (or, as provided above, by another authenticating agent) by electronic or manual signature of an authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. The Company's certificate of authentication shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within mentioned Indenture.

PROSPER FUNDING LLC,
as Authenticating Agent

By: _____
Name: _____
Title: _____

Section 2.04 Registrar and Paying Agent. The Company shall maintain, with respect to each series of Securities, an office or agency where such Securities may be presented for registration of transfer or for exchange ("*Registrar*") and an office or agency where such Securities may be presented for purchase or payment ("*Paying Agent*"). The Registrar shall maintain a register of all series of Securities executed and authenticated hereunder and of their transfer and exchange in accordance with the terms hereof. The Company may have one or more co-registrars and one or more additional paying agents. The terms Registrar and Paying Agent include any co-registrar or additional paying agent, respectively.

The Company or any Subsidiary or an Affiliate of either of them may act as Paying Agent or Registrar. If a person other than the Company or any Subsidiary or an Affiliate of either of them acts as Registrar or Paying Agent, the Company shall enter into an appropriate agency agreement with respect to each series of Securities with any such Registrar or Paying Agent. Such agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent.

The Company initially will serve as the Registrar and Paying Agent in connection with all series of Securities. The Company may from time to time appoint one of its Subsidiaries or any of its or their respective Affiliates or any other person to act as Registrar or Paying Agent for one or more series of Securities in accordance with this Section 2.04.

Section 2.05 Paying Agent to Hold Money and Securities in Trust. Except as otherwise provided herein, prior to or on each due date of payments in respect of any series of Securities, the Company shall deposit with the Paying Agent with respect to such Securities a sum of money sufficient to make such payments when so becoming due. The Company shall require each Paying Agent (other than the Trustee or the Company) to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by such Paying Agent for the making of payments in respect of the Securities of such series and shall notify the Trustee in writing of any default by the Company in making any such payment. At any time during the continuance of any such default, a Paying Agent shall, upon the written request of the Trustee, forthwith pay to the Trustee all money so held in trust with respect to such Securities. If the Company, a Subsidiary or an Affiliate of either of them acts as Paying Agent for a series of Securities, it shall segregate the money held by it as Paying Agent with respect to such Securities. The Company at any time may require a Paying Agent for a series of Securities to pay all money held by it with respect to such Securities to the Trustee and to account for any money disbursed by it. Upon doing so, such Paying Agent shall have no further liability for the money.

Section 2.06 Securityholder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders of each series of Securities. For so long as any series of Original Securities is Outstanding, the Company shall cause to be furnished to the Trustee at least monthly on the first Business Day of each month a list of the names and addresses of the Holders of each series of Securities Outstanding as of a date within the fifteen (15) days before the date on which the list is furnished. From and after the date on which no series of Original Securities is Outstanding, the Company shall cause to be furnished to the Trustee not later than January 15th and July 15th in each calendar year a list of the names and addresses of the Holders of each series of Securities Outstanding as of the immediately preceding January 1 or July 1, respectively. In addition, the Company shall cause to be furnished to the Trustee at such times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of each series of Securities Outstanding.

Section 2.07 Transfer. Except as stated in the immediately following paragraph, the Securities will only be transferable through the Note Trader Platform. The Company may (i) impose a reasonable administrative fee for any such transfer, which fee shall be described on the Company's website www.prosper.com and may be changed or waived from time to time, and (ii) require payment of a sum sufficient to pay all taxes, assessments or other governmental charges that may be imposed in connection with the transfer of the Securities from the Securityholder requesting such transfer.

The Company may, in its sole discretion, (i) permit a transfer of Securities through a means other than the Note Trader Platform; or (ii) permit any other Person to establish a platform on which a secondary market may be made with respect to the Securities.

Any Security transferred in accordance with this Section 2.07 shall be the valid obligation of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Security so transferred.

Section 2.08 Outstanding Securities; Determinations of Holders' Action. Securities of any series "*Outstanding*" at any time are, as of the date of determination, all the Securities of such series theretofore authenticated by the Company for such series except for those cancelled by it, those delivered to it for cancellation and those described in this Section 2.08 as not outstanding. A Security does not cease to be "Outstanding" because the Company or an Affiliate thereof is the Holder of the Security; provided, however, that in determining whether the Holders of the requisite Principal Amount of Outstanding Securities have given or concurred in any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in conclusively relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any Affiliate of the Company. Subject to the foregoing, only Securities outstanding at the time of such determination shall be considered in any such determination.

If, on the final Stated Maturity for a series of Securities, the Company has irrevocably deposited money into the FBO Account sufficient to pay such Securities in full, then on and after that date such Securities shall cease to be Outstanding. In addition, each series of New Securities shall cease to be Outstanding if the Company, pursuant to Section 3.06(a), has written off in full all unpaid principal and interest on the Corresponding Borrower Loan and has notified the Trustee of such action; provided, that in the event the Company has written off in full all unpaid principal and interest on a Borrower Loan prior to the Final Maturity Date of the related series of New Securities, such series of New Securities shall remain Outstanding until the Final Maturity Date thereof.

Section 2.09 Cancellation. The Company may at any time cancel any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever and may cancel any Securities previously authenticated hereunder that the Company has not issued and sold. The Company may not reissue, or issue new Securities to replace, Securities it has cancelled.

No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section 2.09, except as expressly permitted in the form of Securities for any particular series or as permitted by this Indenture.

Section 2.10 Payments. Except as otherwise provided herein (including, without limitation, in Section 2.02(b)), prior to or on each Payment Date in respect of any series of Securities, the Company shall irrevocably deposit into the FBO Account, for the benefit of the Holder of such Securities, a sum of money sufficient to satisfy the installment of Principal thereof or interest thereon that is due on such Payment Date. Payment of Principal and interest on any Security which is payable, and is punctually paid or duly provided for, on any Payment Date shall be paid to the person in whose name such Security is registered at the close of business on the Record Date for such Payment Date.

Any payment on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Payment Date (herein called a "*Defaulted Payment*") shall forthwith cease to be payable to the Holder on the relevant Record Date, and such Defaulted Payment may be paid by the Company to the Holder of the Security on a record date chosen by the Company and in any lawful manner, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this paragraph, such manner of payment shall be deemed practicable by the Trustee.

Section 2.11 Persons Deemed Owners. Prior to the transfer of a Security in accordance with Section 2.07, the Company, the Trustee and any agent of the Company or the Trustee may treat the person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of Principal of and interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

Section 2.12 CUSIP Numbers. The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

ARTICLE III

COVENANTS

Section 3.01 Payment of Securities. The Company shall promptly make all payments in respect of each series of Securities in lawful money of the United States on the dates and in the manner provided in the Securities but solely from the sources provided pursuant to Section 2.02(b). The Company shall have no liability or obligation with respect to the payment of Principal and interest on any Securities except to the extent of the Borrower Loan Net Payments in respect of the Corresponding Borrower Loan. The Company shall make payments of Principal or interest on the Securities by irrevocable transfer of funds into the FBO Account for the benefit of the applicable Holders.

Section 3.02 SEC Reports. The Company shall deliver to the Trustee, within fifteen (15) days after the end of each calendar quarter, copies of all Sales Reports filed with the SEC by the Company during such quarter as well as copies of any information, documents or reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Company was required to file with the SEC during such quarter pursuant to Section 13 or 15(d) of the Exchange Act. The Company also shall comply with the provisions of TIA Section 314(a).

Without limitation to the foregoing paragraph, following the end of each fiscal year, the Company shall provide to the Trustee copies of its audited financial statements for such fiscal year promptly after the same become available.

Section 3.03 Compliance Certificate; Statement by Officers as to Default. The Company shall deliver to the Trustee within one hundred twenty (120) days after the end of each fiscal year (beginning with the fiscal year ending on December 31, 2009) an Officers' Certificate, one of the signers of which shall be the principal executive officer, principal financial officer or principal accounting officer of the Company, stating whether or not the signers know of any Default that occurred during such period. If they do, such Officers' Certificate shall describe the Default and its status.

The Company shall deliver to the Trustee, as soon as possible and in any event within five (5) days after the Company becomes aware of the occurrence of any Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officers' Certificate setting forth the details of such Event of Default or default and the action which the Company proposes to take with respect thereto.

Section 3.04 Further Instruments and Acts. Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

Section 3.05 Maintenance of Office or Agency. The Company will maintain an office or agency where Securities of any series may be presented or surrendered for payment and where notices and demands to or upon the Company in respect of the Securities of any series and this Indenture may be served. The office of the Company at 111 Sutter Street, 22nd Floor, San Francisco, California 94104 shall be such office or agency for all of the aforesaid purposes unless the Company shall maintain some other office or agency for such purposes and shall give prompt written notice to the Trustee of the location, and any change in the location, of such other office or agency.

The Company may also from time to time designate one or more other offices or agencies for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in accordance with the requirements set forth above for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 3.06 Borrower Loan Servicing; Corporate and Platform Administration Services.

(a) With respect to each series of Securities, the Company or a third-party servicer (which may include, without limitation, the Servicer) shall use commercially reasonable efforts to service and collect the Corresponding Borrower Loan, in good faith, accurately and in accordance with industry standards customary for servicing loans such as the Borrower Loans. Notwithstanding the generality of the foregoing, (i) referral of a delinquent Borrower Loan to a collection agency within five (5) Business Days after it becomes thirty (30) days past-due shall be deemed to constitute commercially reasonable servicing and collection efforts; and (ii) the Company and any third-party servicer of a Borrower Loan shall have the right, at any time and from time to time and subject to the foregoing servicing standard, to change the stated maturity of the principal of, or any installment of principal or interest on, any Borrower Loan, or reduce the principal amount thereof or the rate of interest thereon, or change the coin or currency in which, any installment of principal and interest on any such Borrower Loan is payable or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof, or amend or waive any terms of such Borrower Loan, or write off and cancel such Borrower Loan without the consent of any Holder of any Securities of the series corresponding to such Borrower Loan.

(b) With respect to each series of Securities, the Company shall use commercially reasonable efforts to maintain backup servicing arrangements providing for the Corresponding Borrower Loan to be serviced and collected in good faith, accurately and in accordance with industry standards customary for servicing loans such as the Borrower Loans.

(c) The Company shall cause all Borrower Loan Payments to be promptly deposited in the Deposit Account. Without limitation to the foregoing, the Company shall direct that any Borrower Loan Payments to be remitted to the Company by electronic transfer be transmitted directly to the Deposit Account.

(d) The Company shall, or shall cause a third-party administrator (which may include, without limitation, the Corporate Administrator) to, use commercially reasonable efforts to administer its day-to-day business and operations and provide the other administrative services set forth in Article III of the Administration Agreement as in effect on the date hereof in accordance with industry standards customary for administrative services of the same general type and character as those to be provided under Article III of the Administration Agreement.

(e) The Company shall, or shall cause a third-party administrator (which may include, without limitation, the Platform Administrator) to, use commercially reasonable efforts to manage the Platform and provide the other services set forth in Section 4.2 of the Administration Agreement as in effect on the date hereof in accordance with industry standards customary for online credit platforms of the same general type and character as the Platform.

Section 3.07 Separateness Covenants. The Company agrees that it will at all times when any Securities are Outstanding:

(a) maintain its own separate books and records and bank accounts separate from those of its Members or any other Person;

(b) hold itself out to the public and all other Persons as a legal entity separate from its Members and any other Person;

(c) have a Board of Directors separate from that of its Members and any other Person;

(d) file its own tax returns, if any, as may be required under applicable law, to the extent (A) not part of a consolidated group filing a consolidated return or returns, or (B) not treated as a division for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable law;

(e) except as contemplated by the Program Documents, not commingle its assets with assets of any other Person and maintain its funds and other assets such that they shall be separately identified and segregated from those of its Members and any other Person;

(f) conduct its business in its own name so as not to mislead third parties as to the identity of the entity with which such third parties are dealing and strictly comply with all organizational formalities to maintain its separate existence;

(g) maintain separate financial statements and ensure that such financial statements indicate (in the notes thereto or otherwise) the separate existence of the Company and its Members and their respective assets and liabilities and, to the extent the assets and liabilities of the Company are represented on the financial statements of any of its Members, ensure that such financial statements indicate (in the notes or otherwise) the separate existence of the Company and such Member and their separate assets and liabilities;

(h) pay its operating expenses and own liabilities only out of its own funds and not from the funds of any other Person;

(i) maintain an arm's length relationship with its Affiliates and Members and ensure that all transactions between the Company and its Affiliates are on terms and conditions that are not materially more favorable to the Affiliate than the terms and conditions that would be expected to have been obtained under similar circumstances from a non-Affiliate;

(j) pay the salaries of its own employees, if any;

(k) not hold out its credit or assets as being available to satisfy the obligations of any other Person;

(l) allocate fairly and reasonably any overhead for shared office space and pay for its share of such overhead;

(m) so as not to mislead third parties as to the identity of the entity with which such third parties are dealing, maintain and utilize separate stationery, invoices and checks;

(n) except as contemplated by the Program Documents, not pledge its assets for the benefit of any other Person;

(o) correct any known misunderstanding regarding its separate identity;

(p) maintain adequate capital in light of its contemplated business purpose, transactions and liabilities;

(q) ensure that it does not enter into any agreement to be named, directly or indirectly, as a direct or contingent beneficiary or loss payee on any insurance policy covering the property of any other Person;

(r) ensure that it will not conceal from creditors any of its assets or participate in concealing the assets of any other Person;

(s) cause its Board of Directors to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other Delaware limited liability company formalities;

(t) not acquire any securities of its Members (other than the acquisition of the Original Securities and the Corresponding Borrower Loans); and

(u) cause the directors, officers, agents and other representatives of the Company to act at all times with respect to the Company consistently and in furtherance of the foregoing and in the best interests of the Company.

The Company further agrees that at all times when any Securities are Outstanding the Board of Directors will include at least two Independent Directors (as defined in the LLC Agreement) and that the Company will not take any action that, under the terms of the LLC Agreement, requires the written consent of all of the Independent Directors unless such consent is obtained.

ARTICLE IV

SUCCESSOR CORPORATION

Section 4.01 When Company May Merge or Transfer Assets. The Company shall not consolidate with or merge with or into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:

(a) either (i) the Company shall be the continuing corporation or limited liability company, or (ii) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance, transfer or lease the properties and assets of the Company substantially as an entirety (A) shall be a corporation, limited liability company, partnership or trust organized and validly existing under the laws of the United States or any state thereof or the District of Columbia, and (B) shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all of the obligations of the Company under the Securities and this Indenture;

(b) immediately after giving effect to such transaction, no Default shall have occurred and be continuing; and

(c) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this Article IV and that all conditions precedent herein provided for relating to such transaction have been satisfied.

The successor person formed by such consolidation or into which the Company is merged or the successor person to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of the Company under this Indenture with the same effect as if such successor had been named as the Company herein; and thereafter, except in the case of a lease of its properties and assets substantially as an entirety, the Company shall be discharged from all obligations and covenants under this Indenture, and the Securities.

ARTICLE V

DEFAULTS AND REMEDIES

Section 5.01 Events of Default. Unless otherwise specified as contemplated by Section 2.02(c) with respect to any series of Securities, an "*Event of Default*" occurs, with respect to each series of the Securities individually, if:

(a) the Company defaults, subject in each case, to the limitations set forth in Sections 2.02(b) and 3.01 and in the Securities in the payment of any Principal of, or interest upon, any Security of such series when the same becomes due and payable and continuance of such default for a period of thirty (30) days;

(b) the Company fails to comply with any of its agreements in the Securities or this Indenture (other than those referred to in clause (a) above and other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section 5.01 specifically dealt with or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than such series) and such failure continues for ninety (90) days after receipt by the Company of a Notice of Default; provided, however, that if the Company shall proceed to take curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of ninety (90) days, then such period shall be increased to such extent as shall be necessary to enable the Company diligently to complete such curative action;

(c) there shall have been the entry by a court of competent jurisdiction of (i) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Bankruptcy Law, or (ii) a decree or order adjudging the Company bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the wind up or liquidation of its affairs, and any such decree or order for relief shall continue to be in effect, or any such other decree or order shall be unstayed and in effect, for a period of sixty (60) consecutive days;

(d) (i) the Company commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent; (ii) the Company consents to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it; (iii) the Company files a petition or answer or consent seeking reorganization or substantially comparable relief under any applicable federal state law; (iv) the Company (1) consents to the filing of such petition or the appointment of, or taking possession by, a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, (2) makes an assignment for the benefit of creditors, or (3) admits in writing its inability to pay its debts generally as they become due; or (v) the Company takes any corporate action in furtherance of any such actions in this clause (d); or

(e) any other Event of Default specifically provided with respect to Securities of that series occurs.

"*Bankruptcy Law*" means Title 11, United States Code, or any similar federal or state law for the relief of debtors. "*Custodian*" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (b) above is not an Event of Default until the Trustee notifies the Company, or the Holders of at least 25% in aggregate Principal Amount of the Outstanding Securities of all series for which such Default exists notify the Company and the Trustee, of the Default and the Company does not cure such Default within the time specified in clause (b) above after receipt of such notice. Any such notice must specify the Default, demand that it be remedied and state that such notice is a "*Notice of Default*."

Section 5.02 Acceleration.

(a) If an Event of Default specified in Section 5.01(a), Section 5.01(b) or Section 5.01(e) occurs and is continuing with respect to a series of Outstanding Securities, upon notification to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 25% in aggregate Principal Amount of the Outstanding Securities of such series, the Principal (or portion thereof) of such series of Outstanding Securities, and all interest accrued thereon, shall become and be immediately due and payable, subject in each case to the limitations set forth in Sections 2.02(b) and 3.01 and in the Securities of that series.

(b) If an Event of Default specified in Section 5.01(c) or Section 5.01(d) occurs and is continuing, the Principal (or portion thereof) of all the Securities shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Securityholders, notwithstanding, for purposes of the effectiveness of such acceleration, the second sentence of Section 3.01 and without respect to whether there are or will be Borrower Loan Net Payments in respect of the Corresponding Borrower Loans. The Holders of a majority in aggregate Principal Amount of all Outstanding Securities, by notice to the Trustee (and without notice to any other Securityholder), may rescind an acceleration and its consequences if (a) the rescission would not conflict with any judgment or decree, and (b) all Events of Default specified in Section 5.01(c) or Section 5.01(d) have been cured or waived. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

(c) For the avoidance of doubt, (i) there shall be no acceleration of the Principal (or portion thereof) of any Securities upon the occurrence of an Event of Default other than in accordance with Section 5.02(a) or Section 5.02(b), and (ii) the acceleration of any Securities shall not limit the application of the second sentence of Section 3.01 to the calculation of the amounts actually payable on any Securities or limit or affect the conditions to the right of any Holder to receive such amounts in respect of such Holder's Securities.

Section 5.03 Other Remedies. If an Event of Default with respect to a series of Outstanding Securities occurs and is continuing, the Trustee may pursue any available remedy to (a) collect the payment of the whole amount then due and payable on such Securities for Principal and interest, with interest upon the overdue Principal and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest from the date such interest was due, at the rate or rates prescribed therefor in such Securities and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including amounts due the Trustee under Section 6.07, (b) exercise any and all rights of a secured party under the UCC and other applicable law pursuant to the security interest granted to the Trustee under Section 6.12, or (c) enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if the Trustee does not possess any of the Securities or does not produce any of the Securities in such proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of, or acquiescence in, the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

Section 5.04 Waiver of Past Defaults. The Holders of a majority in aggregate Principal Amount of the Outstanding Securities of any series, by notice to the Trustee (and without notice to any other Securityholder), may on behalf of the Holders of all the Securities of such series waive an existing Default with respect to such series and its consequences except (a) an Event of Default described in Section 5.01(a) with respect to such series, or (b) a Default in respect of a provision that under Section 8.02 cannot be amended without the consent of the Holder of each Outstanding Security of such series affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

Section 5.05 Control by Securityholders.

(a) The Holders of a majority in aggregate Principal Amount of the Outstanding Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee with respect to the Securities.

(b) The Holders of at least 25% in aggregate Principal Amount of the Securities Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to, or for taking any other action in connection with the enforcement by the Trustee of its rights under, Article V of the Administration Agreement, including any related indemnification rights thereunder for breaches thereof.

(c) The Holders of at least 25% in aggregate Principal Amount of the New Securities Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to, or for taking any other action in connection with the enforcement by the Trustee of its rights under, the Administration Agreement other than Article V thereof.

(d) For the avoidance of doubt, the Holders may exercise their respective rights under this Section 5.05 regardless of whether an Event of Default has occurred or is continuing. The Trustee may refuse to follow any direction by the Holders under this Section 5.05 that conflicts with law or this Indenture or that the Trustee determines in good faith is unduly prejudicial to the rights of other Securityholders or would involve the Trustee in personal liability.

Section 5.06 Limitation on Suits. A Holder of any Security of any series may not pursue any remedy with respect to this Indenture or the Securities unless:

(a) the Holder gives to the Trustee written notice stating that an Event of Default with respect to the Securities of that series is continuing;

(b) the Holders of at least 25% in aggregate Principal Amount of the Outstanding Securities of that series make a written request to the Trustee to pursue the remedy;

(c) such Holder or Holders offer to the Trustee security or indemnity satisfactory to it against any loss, liability or expense satisfactory to the Trustee;

(d) the Trustee does not comply with the request within sixty (60) days after receipt of the notice, the request and the offer of security or indemnity; and

(e) the Holders of a majority in aggregate Principal Amount of the Outstanding Securities of that series do not give the Trustee a direction inconsistent with such request during such sixty (60)-day period.

A Securityholder may not use this Indenture to prejudice the rights of any other Securityholder or to obtain a preference or priority over any other Securityholder (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders).

Section 5.07 Rights of Holders to Receive Payment. Subject to Section 3.06(a), the right, which is absolute and unconditional, of any Holder of any Security to receive payment of the Principal of and interest on (subject to Sections 2.02(b) and 2.10) such Security on the Stated Maturity or Maturities expressed in such Security held by such Holder, on or after the respective due dates expressed in the Securities, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected adversely without the consent of each such Holder.

Section 5.08 Collection Suit by Trustee. If an Event of Default described in Section 5.01(a) with respect to Securities of any series occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount owing with respect to such series of Securities and the amounts provided for in Section 6.07.

Section 5.09 Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the Principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue Principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of Principal and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amount due the Trustee under Section 6.07) and of the Holders of Securities allowed in such judicial proceeding;

(b) to terminate the Company's rights to service the Borrower Loans and require the substitution of a backup servicer in place of the Company; and

(c) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder of Securities to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Securities, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 6.07.

Nothing herein contained shall be deemed to authorize the Trustee or the holders of Securities to authorize or consent to or accept or adopt on behalf of any Holder of a Security any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder of a Security in any such proceeding.

Section 5.10 Priorities. If the Trustee collects any money pursuant to this Article V, it shall pay out the money in the following order:

FIRST: to the Trustee for amounts due under Section 6.07;

SECOND: to the Securityholders for amounts due and unpaid for the Principal and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for Principal and interest, respectively; and

THIRD: the balance, if any, to the Company.

The Trustee may fix a record date and payment date for any payment to Securityholders pursuant to this Section 5.10. At least fifteen (15) days before such record date, the Company shall mail or electronically transmit to each Securityholder and the Trustee a notice that states the record date, the payment date and amount to be paid.

Section 5.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant (other than the Trustee) in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 5.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 5.07 or a suit by Holders of more than 10% in aggregate Principal Amount of the Outstanding Securities of any series, or to any suit instituted by any Holder of any Security for the enforcement of the payment of the Principal of or interest on any Security on or after the Stated Maturity or Maturities expressed in such Security.

Section 5.12 Waiver of Stay, Extension or Usury Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury or other law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VI

TRUSTEE

Section 6.01 Duties of Trustee. (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default with respect to Securities of any series:

(i) the Trustee need perform only those duties that are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph (c) does not limit the effect of paragraph (b) of this Section 6.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 5.05 or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), (c) and (e) of this Section 6.01.

(e) The Trustee may refuse to perform any duty or exercise any right or power or extend or risk its own funds or otherwise incur any financial liability unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall not be liable for any interest on any money received by it except as the Trustee may otherwise agree in writing with the Company.

Section 6.02 Rights of Trustee.

(a) The Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in such document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel.

(c) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.

(d) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate, Opinion of Counsel (or both), or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, coupon, security or other paper believed by it to be genuine and to have been signed or presented by the proper party or parties.

(e) Any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company.

(f) The Trustee may consult with counsel of its selection and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in reliance thereon in accordance with such advice or Opinion of Counsel.

(g) The Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred therein or thereby.

(h) Prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, security or other paper or document unless requested in writing to do so by the Holders of not less than a majority in the aggregate Principal Amount of the Securities of such series then Outstanding; provided, that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of any such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require indemnity satisfactory to it against such expense or liabilities as a condition to proceeding; the reasonable expense of every such investigation shall be paid by the Company or, if paid by the Trustee or any predecessor trustee, shall be repaid by the Company upon demand.

(i) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys not regularly in its employ and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by it hereunder.

(j) The Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(k) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(l) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Trust Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by the Trustee at the designated corporate trust office of the Trustee, and such notice references the Securities and this Indenture.

(m) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed by it to act hereunder.

(n) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(o) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

Section 6.03 Individual Rights of Trustee, Etc. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any authenticating agent or any other agent of the Company may do the same with like rights. However, the Trustee must comply with Sections 6.10 and 6.11.

Section 6.04 Trustee's Disclaimer. The recitals contained herein and in the Securities shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or adequacy of this Indenture or the Securities. The Trustee shall not be accountable for the Company's use of the proceeds from the Securities and shall not be responsible for any statement in the registration statement for the Securities under the Securities Act, or in this Indenture or the Securities or for the determination as to which beneficial owners are entitled to receive any notices hereunder.

Section 6.05 Notice of Defaults. If a Default with respect to the Securities of any series occurs and is continuing and if it is known to the Trustee, the Trustee shall give to each Holder of Securities of such series notice of such Default in the manner set forth in TIA Section 315(b) within ninety (90) days after it occurs. Except in the case of a Default described in Section 5.01(a) with respect to any Security of such series or a Default in the payment of any sinking fund installment with respect to any Security of such series, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders of Securities of such series.

Section 6.06 Reports by Trustee to Holders. If required by Section 313(a) of the TIA, within sixty (60) days after each May 15 beginning with the May 15 following the date of this Indenture, the Trustee shall mail or transmit electronically to each Holder of Securities a brief report dated as of such May 15 that complies with TIA Section 313(a). If the Trustee is required to prepare such report pursuant to Section 313(a) of the TIA and if it chooses to transmit such report electronically, the Trustee appoints the Company, and the Company agrees to act, as the Trustee's agent to transmit such report electronically to each Holder of Securities and to the SEC as provided in the immediately following paragraph. Promptly following such transmissions, the Company shall certify, in writing, to the Trustee that it has effected each of such transmissions to Holders of Securities and to the SEC. The Trustee also shall comply with TIA Sections 313(b) and (c).

A copy of each report at the time of its mailing or transmission to Holders of Securities shall be filed with the SEC.

Section 6.07 Compensation and Indemnity. The Company agrees:

(a) to pay to the Trustee from time to time such compensation as shall be agreed in writing between the Company and the Trustee for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses, advances and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or willful misconduct; and

(c) to indemnify the Trustee for, and to hold it harmless against, any and all loss, liability, damage, claim or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim (whether asserted by the Company, a Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder.

To secure the Company's payment obligations in this Section 6.07, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee, except that held in trust to pay the Principal of or interest, if any, on particular Securities.

The Company's obligations pursuant to this Section 6.07 shall survive the discharge or other termination of this Indenture or the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Default specified in Section 5.01(c) or Section 5.01(d), the expenses are intended to constitute expenses of administration under any Bankruptcy Law.

Section 6.08 Replacement of Trustee. The Trustee may resign by so notifying the Company; provided, however, no such resignation shall be effective until a successor Trustee has accepted its appointment pursuant to this Section 6.08. The Holders of a majority in aggregate Principal Amount of the Outstanding Securities at the time outstanding may remove the Trustee with respect to the Securities by so notifying the Trustee and may appoint a successor Trustee, which successor Trustee shall, in the absence of an Event of Default, be reasonably acceptable to the Company. The Company shall remove the Trustee if:

(a) the Trustee fails to comply with Section 6.10;

(b) the Trustee is adjudged bankrupt or insolvent;

(c) a receiver or public officer takes charge of the Trustee or its property; or

(d) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, with respect to the Securities of one or more series, the Company shall promptly appoint, by resolution of its Board of Directors, a successor Trustee with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any series).

In the case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail or electronically transmit a notice of its succession to Holders of Securities of the particular series with respect to which such successor Trustee has been appointed. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 6.07.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (i) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (ii) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (iii) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees as co-Trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, subject, nevertheless, to its lien, if any, provided for in Section 6.07.

If a successor Trustee with respect to the Securities of any series does not take office within thirty (30) days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of a majority in aggregate Principal Amount of the Outstanding Securities of such series at the time outstanding may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

If the Trustee fails to comply with Section 6.10, any Holder of a Security of such series may petition any court of competent jurisdiction for the removal of such Trustee and the appointment of a successor Trustee.

Section 6.09 Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

Section 6.10 Eligibility; Disqualification. The Trustee shall at all times satisfy the requirements of TIA Sections 310(a)(1) and 310(a)(5). The Trustee shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA Section 310(b), including the optional provision permitted by the second sentence of TIA Section 310(b)(9). In determining whether the Trustee has conflicting interests as defined in TIA Section 310(b)(1), the provisions contained in the proviso to TIA Section 310(b)(1) shall be deemed incorporated herein.

Section 6.11 Preferential Collection of Claims Against Company. The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

Section 6.12 Security Interest. The Company hereby pledges, assigns and grants to the Trustee, as security for the due payment and performance of all the Company's obligations under this Indenture and the Securities, for the benefit of the Holders of the Securities, as their interests may appear, a security interest in and to all of its right, title and interest, whether now owned or hereafter acquired, and whether now existing or hereafter arising, in, to and under the following: (a) the Borrower Loans, including any and all promissory notes executed by or on behalf of the related borrowers evidencing such Borrower Loans and all rights of the Company under the related borrower member registration agreements pertaining to such Borrower Loans, (b) the Deposit Account and all money and other property from time to time credited to the Deposit Account, (c) the FBO Account and all money and other property from time to time credited to the FBO Account, (d) all money, cash, instruments, interest, income and other property from time to time due or to become due, received or receivable, or otherwise distributed in respect of or in exchange for any or all of the foregoing held for the benefit and security of the Holders of the Securities, (e) all present and continuing right, power and authority of the Company, in the name and on behalf of the Company, as agent and attorney-in-fact, or otherwise, to make claim for and demand performance on, under or pursuant to any of the foregoing held for the benefit and security of the Holders of the Securities, to bring actions and proceedings thereunder or for the specific or other enforcement thereof, or with respect thereto, to make all waivers and agreements, to grant or refuse requests, to give or withhold notices, and to exercise all rights, remedies, powers, privileges and options, to grant or withhold consents and approvals and do any and all things and exercise all other discretionary rights, options, privileges or benefits which the Company is or may become entitled to do with respect to the foregoing held for the benefit of the Holders of the Securities without notice to, consent or approval by or joinder of the Company, and (f) all revenues, issues, products, accessions, substitutions, replacements, profits and proceeds (including "proceeds" as defined in the applicable UCC) of and from all of the foregoing (collectively, the "*Collateral*"). At the expense of the Company, the Company agrees to execute, deliver and file such further agreements, instruments and certificates as may be necessary to preserve, perfect and protect the title and interests of the Trustee on behalf of the Holders of the Securities, including but not limited to, the execution by the Company of an instrument of assignment to the Trustee and the execution by the Company and the filing of financing statements pursuant to the UCC. The Company shall, at its expense, do any further acts and execute, acknowledge, deliver, file, register and record any further documents as are necessary in order to protect the Trustee's title to and first priority perfected security interest in the Collateral, subject to no Liens or charges of any type whatsoever except for Liens pursuant to and permitted by this Indenture. For the avoidance of doubt, and notwithstanding the security interest granted in this Section 6.12 (the "*Security Interest*"), (i) the Company shall be authorized at all times to (or to cause the Servicer on its behalf to) withdraw from or transfer from (or to instruct the Trustee to withdraw from or transfer from) the Deposit Account the excess of the Borrower Loan Payments over the related Borrower Loan Net Payments (the "*Excess Amounts*"), and to deposit such amounts into the Fee Account, and (ii) upon any instruction from the Company (or the Servicer on its behalf) to transfer the Excess Amounts from the Deposit Account to the Fee Account, the Trustee will reasonably promptly transfer such Excess Amounts to the Fee Account.

In furtherance of the grant of the security interest in the Collateral for the Securities, upon and during continuance of an Event of Default, the Company grants to the Trustee on behalf of the Holders the full, exclusive and irrevocable right, power and authority to exercise any and all rights of the Company with respect to the Collateral held for the benefit of the Holders of Securities, and each contract, agreement or other document or instrument included therein. The Trustee agrees that, except upon and during the continuance of an Event of Default, it shall not exercise the power of attorney, or any rights granted to the Trustee pursuant to this Section 6.12.

ARTICLE VII

SATISFACTION AND DISCHARGE

Section 7.01 Discharge of Liability on Securities. This Indenture shall upon Company Request cease to be of further effect as to all Outstanding Securities or all Outstanding Securities of any series, as the case may be (except as to any surviving rights of registration of transfer of Securities herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when:

(a) either (i) all Outstanding Securities or all Outstanding Securities of any series, as the case may be, theretofore authenticated and delivered (other than Securities or Securities of such series, as the case may be, for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 7.02), have been delivered to the Company or the Trustee for cancellation; or (ii) all such Securities not theretofore delivered to the Company or the Trustee for cancellation: (1) have become due and payable, or (2) will become due and payable at their Stated Maturity within one (1) year; and the Company, in the case of the foregoing clauses (1) and (2), has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose, an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee or the Company for cancellation, for Principal and any interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity, as the case may be;

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

The Trustee shall join in the execution of a document prepared by the Company acknowledging satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officers' Certificate and Opinion of Counsel and at the cost and expense of the Company.

Notwithstanding the satisfaction and discharge of this Indenture with respect to the Securities of any series, the obligations of the Company to the Trustee with respect to the Securities of that series under Section 6.07, the obligations of the Company to any authenticating agent and, if money shall have been deposited with the Trustee pursuant to Section 7.02(b), this Section 7.02, shall survive. The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the Principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of Outstanding Securities.

Section 7.02 Repayment to the Company. The Trustee shall return to the Company on Company Request any money held by them for the payment of any amount with respect to the Securities that remains unclaimed for two (2) years. After return to the Company, Holders entitled to the money must look to the Company for payment as general creditors with limited recourse as described herein and in the Securities unless an applicable abandoned property law designates another person.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 8.01 Supplemental Indentures Without Consent of Holders. Without the consent of any Holders of Securities, the Company and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of any Person to the Company in accordance with the provisions of Article IV and the assumption by such successor of the covenants of the Company herein and in the Securities; or

(b) to add to the covenants, agreements and obligations of the Company for the benefit of the Holders of all of the Securities or any series thereof, or to surrender any right or power herein conferred upon the Company; or

(c) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 2.02(c), respectively; or

(d) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 6.08; or

(e) to cure any ambiguity, defect or inconsistency;

(f) to amend restrictions on transferability of any Securities on any series in any manner that does not adversely affect the rights of any Securityholder in any material respect; or

(g) to add to, change or eliminate any of the provisions of this Indenture (which addition, change or elimination may apply to one or more series of Securities), provided that any such addition, change or elimination shall neither (i) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Security with respect to such provision; or

(h) to secure the Securities (including through the grant of a security interest over collateral that is additional to the Collateral); or

(i) to make any other change that does not adversely affect the rights of any Securityholder in any material respect.

Section 8.02 Supplemental Indentures With Consent of Holders. With the written consent of the Holders of at least a majority in aggregate Principal Amount of the Outstanding Securities of each series affected by such supplemental indenture, the Company and the Trustee may amend this Indenture or the Securities of any series or may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Securities of such series and under this Indenture; provided, however, that no such amendment or supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby:

(a) subject to Section 3.06(a), change the Stated Maturity of the Principal of, or any installment of Principal or interest on, any such Security, or reduce the Principal Amount thereof or the rate of interest thereon that would be due and payable upon a declaration of acceleration of maturity thereof pursuant to Section 5.02, or change the coin or currency in which any installment of principal of or interest on, any such Security is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof;

(b) reduce the percentage in Principal Amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such amendment or supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) with respect to the Securities of such series provided for in this Indenture; or

(c) modify any of the provisions of this Section 8.02, Section 5.04 (clauses (a) and (b)) or Section 5.07, except to increase the percentage of Outstanding Securities of such series required for such actions or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for the consent of the Holders under this Section 8.02 to approve the particular form of any proposed amendment or supplemental indenture, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or supplemental indenture under this Section 8.02 becomes effective, the Company shall mail or electronically transmit to each Holder of the particular Securities affected thereby a notice briefly describing the amendment.

Section 8.03 Compliance with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article VIII shall comply with the TIA as then in effect.

Section 8.04 Revocation and Effect of Consents, Waivers and Actions. Until an amendment or waiver with respect to a series of Securities becomes effective, a consent to it or any other action by a Holder of a Security of that series hereunder is a continuing consent by the Holder and every subsequent Holder of that Security or portion of that Security that evidences the same obligation as the consenting Holder's Security, even if notation of the consent, waiver or action is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent, waiver or action as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the Company or an agent of the Company certifies to the Trustee that the consent of the requisite aggregate Principal Amount of the Securities of that series has been obtained. After an amendment, waiver or action becomes effective, it shall bind every Holder of Securities of that series.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment or waiver with respect to a series of Securities. If a record date is fixed, then notwithstanding the first two sentences of the immediately preceding paragraph, those persons who were Holders of Securities of that series at such record date (or their duly designated proxies), and only those persons, shall be entitled to revoke any consent previously given, whether or not such persons continue to be Holders after such record date. No such consent shall be valid or effective for more than ninety (90) days after such record date.

Section 8.05 Notation on or Exchange of Securities. Securities of any series authenticated and delivered after the execution of any supplemental indenture with respect to such series pursuant to this Article VIII may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of such series so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such supplemental indenture may be prepared, executed, authenticated and delivered by the Company in exchange for outstanding Securities of that series.

Section 8.06 Trustee to Sign Supplemental Indentures. The Trustee shall sign any supplemental indenture authorized pursuant to this Article VIII if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing such amendment, the Trustee shall receive, and shall be fully protected in conclusively relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture and is the legal, valid and binding obligation of the Company, enforceable in accordance with its terms.

Section 8.07 Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article VIII, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby, except to the extent otherwise set forth thereon.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Trust Indenture Act Controls. If any provision of this Indenture limits, qualities or conflicts with another provision hereof which is required to be included in this Indenture by the TIA, the required provision shall control.

Section 9.02 Notices. Any notice or communication shall be in writing and delivered in person, mailed by first-class mail, postage prepaid or transmitted electronically to any Holder at the registered address maintained in the Company's records; provided, that any notice or communication by and among the Trustee and the Company may be made by telecopy and shall be effective upon receipt thereof and shall be confirmed in writing, mailed by first-class mail, postage prepaid, and addressed as follows:

if to the Company: Prosper Funding LLC
111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Attention: General Counsel
Facsimile: (415) 362-7233

if to the Trustee: Wells Fargo Bank, National Association
150 East 42nd Street, 40th Floor
New York, NY 10017
Attention: Corporate Trust Services
Facsimile: (917) 260-1593

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication given to a Holder of Securities shall be transmitted electronically to or mailed to such Securityholder at the Securityholder's address as it appears on the registration books of the Company and shall be sufficiently given if so mailed within the time prescribed.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Failure to electronically transmit or mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Holders of Securities of the same series. If a notice or communication is electronically transmitted or mailed in the manner provided above, it is duly given, whether or not received by the addressee.

If the Company electronically transmits or mails a notice or communication to the Holders of Securities of a particular series, it shall electronically transmit or mail a copy to the Trustee with respect to such series.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give notice to Holders of Securities as set forth above, then such notification as shall be made with the acceptance of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders of Securities is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of a Security shall affect the sufficiency of such notice with respect to other Holders of Securities.

The Trustee acknowledges that any notices, instructions or other communications that may be provided by the Company under this Indenture may be provided to the Trustee by the Servicer on the Company's behalf.

Section 9.03 Communication by Holders with Other Holders. Securityholders may communicate pursuant to TIA Section 312(b) with other Securityholders with respect to their rights under this Indenture or the Securities. The Company and the Trustee with respect to a particular series of Securities, and anyone else, shall have the protection of TIA Section 312(c).

Section 9.04 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 9.05 Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or governed by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Section 9.06 Statements Required Certificate or Opinion. Each Officers' Certificate or Opinion of Counsel with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that each Person making such Officers' Certificate or Opinion of Counsel has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such Officers' Certificate or Opinion of Counsel are based;

(c) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement that, in the opinion of such Person, such covenant or condition has been complied with.

Section 9.07 Separability Clause. In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 9.08 Rules by Trustee. With respect to the Securities of a particular series, the Trustee with respect to such series of Securities may make reasonable rules for action by or a meeting of Holders of such series of Securities.

Section 9.09 Legal Holidays. A "*Legal Holiday*" is any day other than a Business Day. If any specified date (including an Interest Payment Date or Stated Maturity of any Security, or a date for giving notice) is a Legal Holiday at any place for giving notice or taking any other action required hereunder or under any series of Securities, then (notwithstanding any other provision of this Indenture or of the Securities other than a provision in the Securities of any series which specifically states that such provision shall apply in lieu of this Section 9.09) such action need not be taken, on such date, but the action shall be taken on the next succeeding day that is not a Legal Holiday at such place with the same force and effect as if made on such date.

Section 9.10 GOVERNING LAW AND JURISDICTION; WAIVER OF JURY TRIAL. THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION. THE COMPANY, THE TRUSTEE, AND EACH HOLDER OF A SECURITY (BY ACCEPTANCE THEREOF), (I) SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING RELATED TO THIS INDENTURE, (II) IRREVOCABLY WAIVES ANY DEFENSE OF LACK OF PERSONAL JURISDICTION IN SUCH SUITS, AND (III) IRREVOCABLY WAIVES TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING BROUGHT IN THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK THAT SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.11 No Recourse Against Others. The obligations of the Company under this Indenture and (subject to Sections 2.02(b), 3.01 and 3.06(a)) the Securities are solely obligations of the Company and are not obligations of any other Person. Neither PMI, in its capacity as Servicer or otherwise, nor any director, officer, employee or member, as such, of the Company, shall have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By executing this Indenture the Trustee, and by accepting a Security each Holder of such Security, waives and releases all such liability. Such waiver and release shall be part of the consideration for the execution by the Company of this Indenture and the issue of the Securities. The terms of this Section 9.11 shall survive the termination of this Indenture or the resignation or removal of the Trustee.

Section 9.12 No Petition. The Trustee agrees that it will not institute against, or join any other Person in instituting against, the Company any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other similar proceeding under the laws of any jurisdiction, for one year and one day after all of the Securities have been paid in full or, if not paid in full, fully retired in accordance with their terms. The obligations of the Trustee under this Section 9.12 shall survive the termination of this Indenture and/or the resignation or removal of the Trustee.

Section 9.13 Successors. All agreements of the Company in this Indenture and the Securities shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

Section 9.14 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 9.15 Benefits of Indenture. Nothing in this Indenture or in the Securities, express or implied, shall give to any person, other than the parties hereto and their successors hereunder and the Holders of Securities, any benefits or any legal or equitable right, remedy or claim under this Indenture.

Section 9.16 Multiple Originals. The parties hereto may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent one and the same agreement. One signed copy is enough to prove this Indenture. The exchange of copies of this Indenture and of the signature pages hereto by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 9.17 Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 9.18 U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

[*Signatures appear on the following page*]

IN WITNESS WHEREOF, the Parties have duly executed this Indenture as of the date first above written.

PROSPER FUNDING LLC

By: /s/ Sachin Adarkar
Name: Sachin Adarkar
Title: Secretary

Attest: /s/ Natasha Cupp
Name: Natasha Cupp
Title: Corporate Counsel

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: /s/ Raymond Delli Colli
Name: Raymond Delli Colli
Title: Vice President

[Signature Page to Amended and Restated
Borrower Payment Dependent Notes Indenture]

EXHIBIT A

FORM OF BORROWER PAYMENT DEPENDENT NOTE

FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THIS BORROWER PAYMENT DEPENDENT NOTE (THIS "NOTE") IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") BECAUSE PAYMENTS ON THIS NOTE ARE DEPENDENT ON PAYMENTS ON THE CORRESPONDING BORROWER LOAN. THE ISSUE PRICE OF THIS NOTE IS THE STATED PRINCIPAL AMOUNT OF THIS NOTE, AND THE ISSUE DATE IS THE ORIGINAL ISSUE DATE. UPON REQUEST, THE COMPANY WILL PROMPTLY MAKE AVAILABLE TO THE HOLDER THE AMOUNT OF OID AND YIELD TO MATURITY OF THIS NOTE. A HOLDER SHOULD CONTACT PROSPER MEMBER SUPPORT AT (866) 615-6319 OR SUPPORT@PROSPER.COM.

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL UNLESS SUCH TRANSFER IS EFFECTED THROUGH THE NOTE TRADER PLATFORM OR IS OTHERWISE PERMITTED BY THE INDENTURE.

BORROWER PAYMENT DEPENDENT NOTE SERIES NO._____ [1]

PROSPER FUNDING LLC

No._____ [CUSIP_____]

HOLDER:_____ [2]

CORRESPONDING BORROWER LOAN:_____ [3]

STATED PRINCIPAL AMOUNT OF THIS NOTE: U.S. $_____ [4]

AGGREGATE PRINCIPAL AMOUNT OF THIS SERIES OF NOTES: U.S. $_____ [5]

INTEREST RATE:_____ [6]

[1] Insert loan ID Number for Corresponding Borrower Loan.
[2] Insert lender member's screen name and member identification number.
[3] Insert description of Corresponding Borrower Loan.
[4] Insert principal amount of lender member's corresponding Note.
[5] Insert aggregate principal amount of Corresponding Borrower Loan.
[6] Insert final yield percentage.

SERVICING FEE: An Annualized Rate applied to the Outstanding Principal Amount of the Corresponding Prosper Borrower Loan:_____ [7]

ORIGINAL ISSUE DATE:_____ [8]

INITIAL MATURITY DATE:_____ [9]

FINAL MATURITY DATE:_____ [10]

EXTENSION OF MATURITY DATE: This Note will mature on the Initial Maturity Date, unless the maturity of this Note is extended to the Final Maturity Date as described below. In no event will the maturity of this Note be extended beyond the Final Maturity Date.

PAYMENT DATES: Subject to the limitations on payment described below, the Company will make payments of principal and interest on or before the sixth Business Day following receipt of any Borrower Loan Net Payments by the Company, subject to prepayment at any time without penalty.

Prosper Funding LLC, a limited liability company duly organized and existing under the laws of the State of Delaware (herein called the "Company"), for value received, hereby promises to pay to the person identified as the "Holder" above (the "Holder"), principal and interest on this Note in U.S. dollars in an amount equal to the Holder's equal and ratable share of the Borrower Loan Net Payments on each Payment Date (in accordance with the payment schedule for this Note, which is available on the Holder's account page at www.prosper.com and subject to prepayment) until the Initial Maturity Date or, if the maturity of this Note has been extended, until the Final Maturity Date. For the avoidance of doubt, (1) no payments of principal and interest on this Note shall be payable unless the Company has received Borrower Loan Payments in respect of the Corresponding Borrower Loan identified above, and then only to the extent of such Borrower Loan Net Payments that have been received by the Company, and (2) no Holder of this Note shall have any recourse against the Company unless, and then only to the extent that, the Company has failed to pay such Holder the Holder's pro rata share of Borrower Loan Net Payments, the Company has otherwise breached a covenant in the Indenture described below that is applicable to the series of Notes of which this Note forms a part, or a Breach (as defined below) has occurred. Subject to certain exceptions provided in the Indenture referred to below, the principal and interest payable on any Payment Date will be paid to the person in whose name this Note is registered at the close of business on the Record Date next preceding such Payment Date.

"Record Date" shall mean the second Business Day immediately preceding each Interest Payment Date or Principal Payment Date (as applicable).

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[7] Insert total servicing fee rate to be charged by Company.
[8] Insert date corresponding to date of funding Corresponding Borrower Loan.
[9] Insert date corresponding to stated maturity of Corresponding Borrower Loan.
[10] Insert date that is the first anniversary of the stated maturity of Corresponding Borrower Loan.

"Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday that is (1) not a day on which the Automated Clearing House system operated by the U.S. Federal Reserve Bank (the "ACH System") is closed, and (2) not a day on which banking institutions are authorized or obligated by law or executive order to close in San Francisco, California or New York, New York.

If, on the Initial Maturity Date, no principal or interest payments in respect of the Corresponding Borrower Loan remain due and payable to the Company, this Note will mature on the Initial Maturity Date and no Borrower Loan Net Payments that the Company receives in respect of the Corresponding Borrower Loan after such Initial Maturity Date shall be required to be paid to the Holder of this Note.

If, on the Initial Maturity Date, any principal or interest payments in respect of the Corresponding Borrower Loan remain due and payable to the Company, the maturity date of this Note will automatically be extended to the Final Maturity Date. In such case, this Note will mature on the Final Maturity Date, even if principal or interest payments in respect of the Corresponding Borrower Loan remain due and payable to the Company. No payments shall be required to be made on this Note after the Final Maturity Date even if the Company receives Borrower Loan Net Payments related to the Corresponding Borrower Loan after such date.

All payments of principal and interest on this Note due to the Holder hereof shall be made in U.S. dollars, in immediately available funds, by intra-institution book-entry transfer to the Holder's designated sub-account in the FBO Account.

All U.S. dollar amounts used in or resulting from the calculation of amounts due in respect of this Note shall be rounded to the nearest cent (with one-half cent being rounded upward).

This Note is one of a duly authorized series of a class of special limited obligations of the Company referred to as Borrower Payment Dependent Notes (hereinafter called the "Securities") all issued or to be issued under and pursuant to an Amended and Restated Borrower Payment Dependent Notes Indenture, dated as of _____, 2012 (hereinafter called the "Indenture"), duly executed and delivered by the Company and Wells Fargo Bank, National Association, as trustee (hereinafter called the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, duties and immunities thereunder of the Trustee and the rights thereunder of the holders of the Securities. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (the "TIA"), as in effect on the date of the Indenture. The Securities are subject to, and qualified by, all such terms, certain of which are summarized hereon, and Holders are referred to the Indenture and the TIA for a statement of such terms. As provided in the Indenture, the Securities may be issued in one or more separate series, which different series may be issued in various aggregate principal amounts, mature at different times, bear interest at different rates, be subject to different covenants and events of default, and otherwise vary as provided or permitted in the Indenture.

If an Event of Default described in Section 5.01(c) or (d) of the Indenture occurs and is continuing, the unpaid stated principal amount hereof will become and be immediately due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture provides that the Company or a third-party servicer shall use commercially reasonable efforts to service and collect the Corresponding Borrower Loan in good faith, accurately and in accordance with industry standards customary for servicing loans such as the Borrower Loans, and may in applying that standard amend or waive any term of such Borrower Loan, and without limitation to the foregoing, shall have authority to write off and cancel such Borrower Loan without the consent of any Holder of any Securities of the series corresponding to such Borrower Loan. The Indenture contains provisions permitting (subject to the servicing standard) the Company and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of each series of Securities affected thereby, at the time Outstanding, evidenced as provided in the Indenture, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any indenture supplemental thereto or modifying in any manner the rights of the holders of this Note; provided, however, that no such supplemental indenture shall (1) change the Stated Maturity of the principal of, or any installment of principal or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon that would be due and payable upon a declaration of acceleration of maturity thereof or change the place of payment where, or change the coin or currency in which, any installment of principal and interest on any such Security is payable or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof, (2) reduce the percentage in principal amount of the Outstanding Securities, the consent of whose Holders is required for any such amendment or supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences) with respect to the Securities, or (3) modify any of the provisions of Section 8.02, Section 5.04 (clauses (a) and (b)) or Section 5.07 of the Indenture, except to increase the percentage of Outstanding Securities required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby. The Indenture also contains provisions permitting the holders of a majority in aggregate principal amount of the Securities of all affected series at the time outstanding, on behalf of the holders of all the Securities of such series, to waive, insofar as those series are concerned, compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent by the Holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future holders and owners of this Note and any Notes which may be issued upon the registration of transfer hereof, irrespective of whether or not any notation thereof is made upon this Note or other such Notes.

This Note is not entitled to any sinking fund. This Note is not redeemable at the option of the Holder. If (1) a Prosper Rating different from the Prosper Rating calculated by the Company for the listing on the Platform of the Corresponding Borrower Loan was inserted in such Corresponding Borrower Loan listing, (2) the Company incorrectly inputted data into its formula or incorrectly applied its formula to determine the Prosper Rating, resulting in a Prosper Rating different from the Prosper Rating that should have appeared in the Corresponding Borrower Loan listing, or (3) the Corresponding Borrower Loan has been obtained as a result of verifiable identity theft on the part of the purported borrower member and a material payment default under the Corresponding Borrower Loan occurs (any such event described in clause (1), (2) or (3), a "Breach"), and, in the case of a Breach described in clause (1) or (2), such Breach materially and adversely affects the interest of the Holder in this Note, the Company will in its discretion either (i) repurchase this Note from the Holder, or (ii) indemnify and hold the Holder harmless against any losses resulting from nonpayment of this Note, and against any losses, damages, expenses, legal fees, costs and judgments resulting from any claim, demand or defense arising as a result of the Breach (collectively, "Damages"). The determination of whether verifiable identity theft has occurred shall be in the Company's sole discretion. In addition, the Company may, in its reasonable discretion, require proof of the identity theft, such as a copy of a police report filed by the person whose identity was wrongfully used to obtain the fraudulently-induced Corresponding Borrower Loan, an identity theft affidavit or a bank verification letter (or all of the above) in order to determine that verifiable identity theft has occurred. In the event the Company repurchases this Note pursuant to this paragraph, the repurchase price will be equal to the remaining outstanding principal balance of this Note as of the date of repurchase, and this Note shall automatically be transferred and assigned by the Holder to the Company without recourse. Upon such repurchase, the Company may execute any endorsements or assignments necessary to effectuate the transfer and assignment of this Note to the Company. In the event the Company indemnifies and holds the Holder harmless against any Damages arising from a Breach, the Company shall not be required to take any action with respect to losses the Holder may suffer resulting from nonpayment of this Note until this Note is at least one hundred twenty (120) days past due; provided, however, that the Company may in its sole discretion elect to take action at an earlier time. The Company shall calculate losses resulting from nonpayment of this Note based upon the outstanding principal balance of this Note. If the Company makes an indemnification payment to the Holder as a result of losses suffered resulting from the nonpayment of this Note, the Company shall be entitled to retain any subsequent recoveries on this Note. Any repurchase or indemnification payment will be made by remittance into the FBO Account for the benefit of the Holder.

The Company may sell, transfer or otherwise dispose of the Corresponding Borrower Loan and the related promissory notes, free and clear of the Security Interest, if such sale, transfer or disposition is made by the Company (or by the Servicer on its behalf) for the purpose of realizing the value of the Corresponding Borrower Loans and the related promissory notes. Any Borrower Loan Payments received by the Company with respect to the Corresponding Borrower Loan that the Company pays to a collection agent (or that it permits a collection agent to retain) as compensation for collection services, or that the Company otherwise applies to cover collection expenses, shall, upon such payment or application, automatically be released from the Security Interest. In addition, if the Corresponding Borrower Loan remains unpaid on the Final Maturity Date, the Corresponding Borrower Loan and the related promissory note shall automatically on such Final Maturity Date be released from the Security Interest. The Company is not required to obtain the consent of the Trustee to effect the release of any Collateral from the Security Interest as contemplated hereby (collectively, the "Released Collateral") and any such release of Released Collateral shall not be deemed to impair the security granted under the Indenture in contravention of its provisions.

The Company shall deliver to the Trustee not later than January 15th and July 15th in each calendar a year a certificate signed by its President, its Treasurer or any Vice President confirming that to the best of such officer's knowledge after due investigation, all Released Collateral released from the Security Interest during the preceding semiannual period of July 1st through December 31st, or January 1st through June 30th, as applicable, other than any Released Collateral described in the immediately following sentence, was released by the Company in the ordinary course of the Company's business and that all proceeds realized by the Company from each such release were applied by the Company in accordance with this Indenture; provided, that the first such certificate delivered by the Company shall pertain to the period from the date of this Indenture through December 31, 2012. The Company shall deliver to the Trustee in connection with any release of the Collateral from the Security Interest other than Released Collateral, and in connection with any release of Released Collateral that is not (in the Company's good faith view) being made in the ordinary course of the Company's business, such certificates or opinions as shall be required in connection therewith by TIA Section 314(d). Any officer of the Company (including, without limitation, its Treasurer) who has significant responsibility for (i) the determination of the Company's credit underwriting criteria, and (ii) the evaluation of the financial performance of the Company's Borrower Loan portfolio, shall be deemed to constitute an "expert" for purposes of TIA Section 314(d). For the avoidance of doubt, the Company shall not be required to deliver any certificates or opinions under TIA Section 314(d) in respect of any Released Collateral that is released from the Security Interest in the ordinary course of the Company's business but shall remain obligated to deliver the certificates contemplated by the first and second sentences of this paragraph.

The Notes are in registered form without coupons in denominations of $25 to $25,000. The Notes may not be transferred and the transfer of Notes shall not be registered as provided in the Indenture unless such transfer is effected through the Note Trader Platform or is otherwise permitted by the Indenture. The Company may (1) impose a reasonable administrative fee for any such transfer, which fee shall be described on the Company's website www.prosper.com and may be changed or waived from time to time and (2) require payment of a sum sufficient to pay all taxes, assessments or other governmental charges that may be imposed in connection with the transfer of the Notes from the Holder requesting such transfer.

The Company, the Trustee, and any paying agent may deem and treat the registered Holder hereof as the absolute owner of this Note at the Holder's address as it appears on the register books of the Company as kept by the Company or duly authorized agent of the Company (whether or not this Note shall be overdue), for the purpose of receiving payment of or on account hereof and for all other purposes, and neither the Company nor the Trustee nor any paying agent shall be affected by any notice to the contrary. All payments made to or upon the order of such registered Holder shall, to the extent of the sum or sums paid, effectively satisfy and discharge liability for moneys payable on this Note.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or any indenture supplemental thereto or in any Note, or because of any indebtedness evidenced thereby, shall be had against any past, present or future organizer, member, officer, director or employee, as such, of the Company, either directly or through the Company, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or penalty or otherwise, all such personal liability of every such organizer, member, officer, director and employee, as such, being expressly waived and released by the acceptance hereof and as a condition of and as part of the consideration for the issuance of this Note.

Unless otherwise defined herein, terms used herein which are defined in the Indenture shall have the respective meanings assigned thereto in the Indenture. To the extent that provisions contained in this Note are inconsistent with the provisions set forth in the Indenture, the provisions contained herein will apply.

This Note shall be governed by and construed in accordance with the laws of the State of New Yolk without regard to any principle of conflict of laws that would require or permit the application of the laws of any other jurisdiction.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by an authorized officer of the Company or its duly authorized agent under the Indenture referred to above.

[*Signature Page Follows*]

IN WITNESS WHEREOF, Prosper Funding LLC has caused this instrument to be signed by its duly authorized officers.

Dated: _____

_____

PROSPER FUNDING LLC

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

Dated: _____

This is one of the Securities of the series of Securities designated therein referred to in the within-mentioned Indenture.

PROSPER FUNDING LLC,
as Authenticating Agent

By: _____
Name:
Title:

[Signature Page to Borrower Payment Dependent Note]

Exhibit 10.1

ADMINISTRATION AGREEMENT
among

PROSPER FUNDING LLC,
as the Company and as the Licensor

PROSPER MARKETPLACE, INC.,
in its capacity as the Licensee

PROSPER MARKETPLACE, INC.,
in its separate capacity as the Corporate Administrator

PROSPER MARKETPLACE, INC.,
in its separate capacity as the Loan Platform Administrator

and

PROSPER MARKETPLACE, INC.,
in its separate capacity as the Loan and Note Servicer

Effective as of February 1, 2013

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This ADMINISTRATION AGREEMENT executed on January 22nd, 2013 and made effective as of February 1, 2013 by and among PROSPER FUNDING LLC (the "Company" and the "Licensor"), PROSPER MARKETPLACE, INC., in its capacity as licensee (the "Licensee"), PROSPER MARKETPLACE, INC., in its separate capacity as the corporate administrator (the "Corporate Administrator"), PROSPER MARKETPLACE, INC., in its separate capacity as the Loan Platform Administrator (the "Loan Platform Administrator") and PROSPER MARKETPLACE, INC., in its separate capacity as the Loan and Note Servicer (the "Loan and Note Servicer").

RECITALS:

WHEREAS, the Licensor and the Licensee desire PMI to be able to access and operate the Prosper System (i) in connection with its performance of its duties hereunder in its capacities as Corporate Administrator, Loan Platform Administrator and Loan and Note Servicer, and (ii) to enable PMI to facilitate, as agent of the Bank, the origination and funding of Borrower Loans by the Bank; and

WHEREAS, the Company and the Corporate Administrator desire for the Corporate Administrator to provide certain ministerial and administrative services in the nature of "back office" support to the Company relating to the Company's day-to-day operations, including, among other aspects thereof, maintenance of its corporate existence, legal compliance functions, cash management and account maintenance, keeping of books and records (including accounting records), and performance on behalf of the Company of certain reporting, ministerial and other duties under contracts and agreements of the Company, in each case subject to the terms and conditions hereof;

WHEREAS, the Company and the Loan Platform Administrator desire for the Loan Platform Administrator to provide certain services to the Company relating to the operation of the Prosper System, in each case subject to the terms and conditions hereof;

WHEREAS, the Company and the Loan and Note Servicer desire for the Loan and Note Servicer to provide certain services to the Company relating to the acquisition, maintenance, collection, liquidation and other servicing of Borrower Loans and the issuance and sale of Securities and the Company's payment and performance of its other obligations in relation to such Securities, in each case subject to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Defined Terms.

Each term defined in this Section 1.1, when used in this Agreement, shall have the meaning set forth below. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Indenture (as defined below).

"Account Bank" means the Trustee or any other Eligible Bank at which the Company maintains the Collateral Account and the FBO Account.

"Account Bank City" means the city in which the Account Bank maintains the FBO Account (which, for the avoidance of doubt, on the Closing Date is San Francisco, California).

"Affiliate" means with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Persons means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Administration Agreement, including all exhibits hereto, as the same may be from time to time amended, restated or supplemented.

"Applicable Requirements" means, as of any time of reference, all of the following, as applicable: (i) all of the Corporate Administrator's contractual obligations under this Agreement and each other Program Document, (ii) all federal, state and local legal and regulatory requirements (including statutes, rules, regulations and ordinances) binding upon the Corporate Administrator in relation to the administrative services it provides to the Company, (iii) all of the Loan Platform Administrator's contractual obligations under this Agreement and each other Program Document, (iv) all federal, state and local legal and regulatory requirements (including statutes, rules, regulations and ordinances) binding upon the Loan Platform Administrator in relation to the Prosper System, (v) all of the Loan and Note Servicer's contractual obligations under this Agreement and each other Program Document, and (vi) all federal, state and local legal and regulatory requirements (including statutes, rules, regulations and ordinances) binding upon the Loan and Note Servicer in relation to the Borrower Loans and the Securities.

"Asset Transfer Agreement" means that certain Asset Transfer Agreement effective as of February 1, 2013, between PMI and PFL.

"Back-Up Processing Agreement" means the Back-Up Processing Agreement, entered into as of November 21, 2012, between the Company and CSC Logic, Inc., in their respective capacities thereunder, as from time to time amended, restated or supplemented.

"Bank" means WebBank, a Utah-chartered industrial bank.

"Borrower" means, with respect to any Borrower Loan, the Borrower-Member obligated to make payments on such Borrower Loan.

"Borrower Loan Documents" means, with respect to any Borrower Loan, the Borrower Registration Agreement and the Loan Note executed by the applicable Borrower.

"Borrower Loan" means a direct loan originated through the Company's platform on its website www.prosper.com or any successor website, with a borrower that is an individual. , or a direct loan that has otherwise been acquired or assumed by the Company (including pursuant to the Asset Transfer Agreement)

"Borrower-Member" means any Person who has executed a Borrower Registration Agreement with the Company or PMI.

"Borrower Registration Agreement" means an agreement in the form of Exhibit A hereto or in such other form as the Company and the Loan Platform Administrator may approve in writing.

"Business Day" means any day other than a Saturday, Sunday or other day on which banking and savings and loan institutions in San Francisco, California or the Account Bank City are authorized or obligated by law or executive order to be closed.

"Closing Date" means February 1, 2013.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral Account" means the special purpose segregated, non-interest-bearing account established at the Account Bank in the Account Bank City and which shall never be considered a general deposit account and as such shall not be available for set off by the Account Bank or garnishment by creditors of the Account Bank, such account being entitled "Prosper Funding LLC Collateral Account," or such additional or replacement account or accounts as may from time to time be maintained by the Company for purposes of purchasing borrower loans from Bank.

"Company" means Prosper Funding LLC, a Delaware limited liability company.

"Corporate Administrator" means PMI, in its capacity as Corporate Administrator under this Agreement, or any successor or permitted assign in such capacity under this Agreement.

"Corporate Administration Fee" shall have the meaning assigned thereto in Section 3.5(a).

"Corporate Administration Standard" shall have the meaning assigned thereto in Section 3.1(c).

"Delinquent Loan" means any Borrower Loan on which one or more payments is past due.

"Eligible Bank" means any federal or State-chartered depository institution that (i) has combined capital and surplus of at least $200,000,000, and (ii) short-term debt ratings of at least (A) "P-2" by Moody's (or, if such institution does not have a Moody's short-term debt rating, a long-term debt rating from Moody's of at least "A3"), and (B) "A-2" by S&P (or, if such institution does not have an S&P short-term debt rating, a long-term debt rating from S&P of at least "A-").

"Execution Date" means January 22, 2013.

"FBO Account" means the special purpose segregated, non-interest-bearing account established at the Account Bank in the Account Bank City and which shall never be considered a general deposit account and as such shall not be available for set off by the Account Bank or garnishment by creditors of the Account Bank, such account being entitled "Prosper Funding LLC for the benefit of its lender members" (Account No. 4121191886).

"Fee Account" means the special purpose segregated, non-interest-bearing account established at an Eligible Bank and which shall never be considered a general deposit account and as such shall not be available for set off by the Eligible Bank or garnishment by creditors of the Eligible Bank, such account being entitled "Prosper Funding LLC Fee Account" (Account No. 400-0106534).

"Hosting Services Agreement" means the Amended and Restated Hosting Services Agreement, effective as of the Closing Date, among the Company, Prosper Marketplace, Inc. and FOLIO*fn* Investments, Inc., in their respective capacities thereunder, as from time to time amended, restated or supplemented.

"Indenture" means the Amended and Restated Indenture, effective as of February 1, 2013, between the Company and the Trustee, as from to time amended, restated or supplemented.

"Lender" means any Person who holds a Security (including, for the avoidance of doubt, Persons who have purchased Securities through the Prosper System or through the Note Trader Platform).

"Lender Registration Agreement" means an agreement in the form of Exhibit B hereto or in such other form as the Company and the Loan Platform Administrator may approve in writing.

"Lender-Member" means any Person who has executed a Lender Registration Agreement with the Company or PMI.

"License" shall have the meaning assigned thereto in Section 2.1(a).

"Licensee" means PMI, in its capacity as Licensee under this Agreement, or any successor or permitted assign in such capacity under this Agreement.

"License Agreement" means the Amended and Restated License Agreement, effective as of the Closing Date, among the Company, Prosper Marketplace, Inc. and FOLIO*fn* Investments, Inc., in their respective capacities thereunder, as from time to time amended, restated or supplemented.

"License Fee" shall have the meaning assigned thereto in Section 2.2.

"Licensor" means the Company, as owner and licensor of the property that is the subject of the license granted under Article II of this Agreement, or any successor or permitted assign in such capacity under this Agreement.

"Loan Account Program Agreement" means the Second Amended and Restated Loan Account Program Agreement, between the Bank and Prosper Marketplace, Inc., as from time to time amended, restated or supplemented.

"Loan and Note Servicer" means PMI, or any successor or permitted assign under the terms of this Agreement.

"Loan and Note Servicing Fee" shall have the meaning assigned thereto in Section 5.11(a).

"Loan Funding Date" means any date on which the principal amount of a Borrower Loan is funded.

"Loan Listing" means any loan requested by a Borrower-Member through the Prosper System.

"Loan Note" means the original executed promissory note evidencing the indebtedness of a Borrower under a Borrower Loan (it being understood that each Loan Note will be executed electronically).

"Loan Rate" means the annual rate of interest borne by a Loan Note as set forth therein.

"Loan Sale Agreement" means the Second Amended and Restated Loan Sale Agreement, effective as of the Closing Date, among the Bank, the Company and Prosper Marketplace, Inc., as from time to time amended, restated or supplemented.

"Servicing Standard" shall have the meaning assigned thereto in Section 5.1(c).

"Member" means any Borrower-Member or Lender-Member.

"Moody's" means Moody's Investors Service, Inc., or any successor thereto.

"Note Trader Platform" means the Folio Investing Note Trader platform operated and maintained by FOLIO*fn* Investments, Inc. or any additional or successor system approved by the Company and the Loan and Note Servicer through which Lender-Members may resell their Securities.

"Party" means, individually, each of the Company, the Licensor, the Licensee, the Corporate Administrator, the Loan Platform Administrator or the Loan and Note Servicer.

"Parties" means, collectively, all of the Company, the Licensor, the Licensee, the Corporate Administrator, the Loan Platform Administrator and the Loan and Note Servicer.

"Performance Information" means information regarding the payment performance of any Borrower (or group of Borrowers) on any Borrower Loan (or group of Borrower Loans).

"Person" means an individual, partnership, corporation (including a statutory trust), joint stock company, limited liability company, trust, association, joint venture, governmental authority or any other entity of whatever nature.

"PFL" means Prosper Funding LLC, a Delaware limited liability company.

"Loan Platform Administrator" means PMI, or any successor or permitted assign under the terms of this Agreement.

"Loan Platform Servicing Fee" shall have the meaning assigned thereto in Section 4.8(a).

"Platform Administration Standard" shall have the meaning assigned thereto in Section 4.1(c).

"PMI" means Prosper Marketplace, Inc., a Delaware corporation.

"PMI Indenture" means the Indenture, dated as of June 15, 2009, between PMI and the Trustee, as amended by the First Supplemental Indenture, effective as of February 1, 2013, between PMI and the Trustee, as it may from time to time be further amended, restated or supplemented.

"Privacy Policy" means the written privacy policies employed by the Company to protect the confidentiality of Member information and to comply with applicable privacy laws, both as in effect on the Closing Date and as from time to time amended.

"Program Documents" means this Agreement, the Back-Up Processing Agreement, the Indenture, the Borrower Registration Agreements, the Loan Notes, the Lender Registration Agreements, the Hosting Services Agreement, the License Agreement, the Loan Sale Agreement, the Loan Account Program Agreement, the Services Agreement and any other agreements or instruments related to or arising from any of the foregoing or otherwise related to the Company's operation of the Prosper System, purchase of Borrower Loans, or issuance, sale or payment of the Securities and/or the servicing of Borrower Loans.

"Prohibited Information" shall have the meaning assigned thereto in the Borrower Registration Agreements.

"Prospectus" means the prospectus included in the registration statement pursuant to which the Company has registered the Securities under the Securities Act.

"Prosper Account" means the bookkeeping account maintained by the Company for each Member pursuant to the Prosper System.

"Prosper Rating" means the proprietary credit rating assigned by the Loan Platform Administrator to each Loan Listing.

"Prosper System" means the person-to-person online credit platform developed by and for the Licensee prior to and as of the Closing Date, and transferred to the Company pursuant to the Asset Transfer Agreement, and currently owned by the Company (the "Current System"), that the Licensee will access and use pursuant to the License. For purposes of Article II hereof and the License, "Prosper System" means and includes both the Current System and all improvements, enhancements, updates, error corrections, and other changes and additions to the Current System from and after the Closing Date (collectively, "Improvements"), regardless of whether such Improvements are conceived, developed and/or made by, for or on behalf of the Company or the Licensee. The Company is and shall be the sole owner of all right, title and interest in all Improvements, subject to the rights of the Licensee to access and use the Improvements as part of the Prosper System pursuant to the License.

"Prosper Website" means the Company's website on which Borrower-Members may submit requests for Loans and Lender-Members may purchase Securities.

"Rating Procedures" means the proprietary rating procedures that the Loan Platform Administrator, on behalf of the Company, uses to determine Prosper Ratings for Loan Listings.

"Responsible Officer" means, as applicable, (i) any executive officer of the Corporate Administrator and any non-executive officer or employee of the Corporate Administrator regularly engaged in providing administrative services to the Company under this Agreement, (ii) any executive officer of the Loan Platform Administrator and any non-executive officer or employee of the Loan Platform Administrator regularly engaged in providing services to the Company under this Agreement, and (iii) any executive officer of the Loan and Note Servicer and any non-executive officer or employee of the Loan and Note Servicer regularly engaged in providing services to the Company under this Agreement.

"Rule 15Ga-1" means Rule 15Ga-1 under the Securities Exchange Act of 1934, as amended.

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto.

"Scheduled Termination Date" means May 31, 2023 or, if applicable, such later date as the Company, the Corporate Administrator, the Loan Platform Administrator and the Loan and Note Servicer shall agree upon in writing.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Security" or "Securities" means the special limited obligations of the Company referred to as Borrower Payment Dependent Notes to be issued in series and authenticated and delivered under the Indenture, and the special limited obligations of PMI referred to as Borrower Payment Dependent Notes issued in series and authenticated and delivered under the PMI Indenture that have been acquired or assumed by the Company (including pursuant to the Asset Transfer Agreement).

"Service Provider" means, individually, each of the Corporate Administrator, the Loan Platform Administrator or the Loan and Note Servicer.

"Service Provider" means, collectively, all of the Corporate Administrator, the Loan Platform Administrator and the Loan and Note Servicer.

"Services Agreement" means the Amended and Restated Services Agreement, effective as of the Closing Date, among the Company, Prosper Marketplace, Inc. and FOLIO*fn* Investments, Inc., in their respective capacities thereunder, as from time to time amended, restated or supplemented.

"Termination Date" means the date on which this Agreement terminates and shall be the earliest of (i) the Scheduled Termination Date, or (ii) (A) the date fixed for such termination pursuant to the unanimous written consent of the Company, the Licensor, the Licensee, the Corporate Administrator, the Loan Platform Administrator and the Loan and Note Servicer, (B) termination by the Licensor pursuant to Section 2.3(b) or (C) termination of any or all of Articles III, IV and V with respect to the relevant Service Provider or all Service Providers, as the case may be, pursuant to the termination provisions or Articles III, IV and V; provided that termination of only Article III, IV or V shall result in termination only of the provisions of such Article and the rights, duties and obligations of the relevant Service Provider appointed by the Company thereunder, and shall not result in termination of other Articles, Sections, terms or provisions of this Agreement or of the rights, duties or obligations of any other Service Provider.

"Trustee" means Well Fargo Bank, National Association, as Trustee under the Indenture, or any successor thereto in such capacity.

ARTICLE II

LICENSE OF THE PROSPER SYSTEM

2.1 Grant of License.

(a) Licensor hereby grants to Licensee a non-exclusive, non-transferable (except as contemplated herein), worldwide license to access and use the Prosper System, including, without limitation, all software, intellectual property and other property of the Licensor comprising the Prosper System, including any and all associated logos, trademarks and tradenames, (the "License"). Licensee shall use the Prosper System exclusively (i) for and in the course of the fulfillment by Licensee of its duties as Corporate Administrator, Loan Platform Administrator and Loan and Note Servicer pursuant to Articles III, IV and V hereof for so long as such Articles of this Agreement remain in full force and effect and so long as Licensee continues timely to pay the License Fee, and (ii) for and in the course of its facilitation of Borrower Loan originations and fundings by the Bank for so long as the Licensee is contractually bound to facilitate such lending by the Bank and continues to pay the License Fee. If a third party succeeds the Licensee as Corporate Administrator, Loan Platform Administrator or Loan and Note Servicer under this Agreement or pursuant to any other Agreement of Licensor following termination of Licensee in such capacity hereunder, then such third party shall also automatically be granted a license hereunder, in order to enable such third party to fulfill its duties in such capacity under Articles III, IV or V hereof, as applicable, and thereafter such third party shall be deemed to be a Licensee for purposes of such provisions, and the License granted to the initial Licensee shall automatically be restricted in scope to the performance of its remaining duties and obligations hereunder.

(b) The Licensee acknowledges that Licensor owns any and all tangible and intangible property and assets of whatever nature, including all patents, copyrights, trademarks, trade secrets and other proprietary rights comprising the Prosper System (as of the date hereof, such property and assets being those identified as transferred assets in the Asset Transfer Agreement) as well as any documentation relating to the Prosper System included in the Transferred Assets (as defined in the Asset Transfer Agreement).

2.2 License Fee.

The Licensee shall pay to Licensor from time to time the License Fee described in Exhibit C hereto (the "License Fee").

2.3 Termination of License.

(a) The License shall terminate for any Licensee (i) automatically on termination of its services under Articles III, IV or V hereof (except that it shall continue during any related transition period during which any of the services performed by such Licensee under Articles III, IV or V hereof are transferred to any third party specified by Licensor or the Licensor, as provided in Section 2.3(c)), or (ii) on the date of any earlier termination that occurs pursuant to Section 2.3(b).

(b) The Licensor may by written notice to the Licensee terminate the License if (i) the Licensee assigns, or attempts to assign, the License to any other Person without the Licensor's prior written consent, (ii) the Licensee ceases to operate the Prosper System or declines to make the Prosper System available to new registrants, or announces an intention to take any such action, in each case without the Licensor's prior written consent, (iii) the Licensee operates the Prosper System in violation of any applicable laws and such violation (A) materially impairs the value of the Prosper System or materially reduces the availability of the Prosper System to existing or potential registrants, and (B) did not result from any breach by the Loan Platform Administrator of its obligations under this Agreement or (iv) the Licensee operates the Prosper System for any purpose other than those purposes contemplated in Articles II, III, IV or V hereof.

(c) Licensor and the Licensee agree that, if the License terminates for any reason prior to the Scheduled Termination Date, the Licensee may nonetheless continue to operate the Prosper System in relation to any Borrower Loans or Securities that are then outstanding or, if the Licensor so directs, the Licensor, directly or through other agents, will assume the operation of the Prosper System in relation to such Borrower Loans and Securities or the License will be transferred to a new licensee selected by the Licensor, in each case in a manner that does not adversely affect the Borrowers under such Borrower Loans or the Holders of such Securities.

2.4 Standard of Liability; Indemnification.

(a) Each Licensee agrees to indemnify, defend and hold the Licensor and its successors, assigns, officers, directors, employees and agents harmless from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel), joint or several (collectively, "License Damages"), directly or indirectly resulting from or arising out of (i) the failure of such Licensee to perform its duties in accordance with the terms of this Agreement, (ii) the material breach of any of such Licensee's representations, warranties, covenants or agreements contained in this Agreement including, but not limited to, confidentiality provisions, (iii) the infringement or misappropriation by such Licensee of any patent, copyright, trademark, servicemark, trade secret or other proprietary right of Licensor, (iv) the violation of any federal, state and local legal and regulatory requirements (including statutes, rules, regulations and ordinances) binding on such Licensee, (v) the inappropriate use of the Prosper System by such Licensee, (vi) the misuse, neglect, or lack of maintenance of the Prosper System by such Licensee, (vii) the addition, introduction or use of hardware or software that corrupts, damages, negatively interferes or otherwise negatively affect the Prosper System by such Licensee; provided, however, that such Licensee shall not be responsible for any License Damages resulting from or arising out of (i) the failure of the Licensor to perform its duties in accordance with the terms of this Agreement (unless such failure resulted from the actions or omissions of such Licensee), or (ii) the material breach of any of the Licensor's representations, warranties, covenants or agreements contained in this Agreement.

(b) Except as otherwise expressly provided herein, each Licensee shall not be under any obligation to appear in, prosecute or defend any legal action that does not relate to its duties in relation to the foregoing License of the Prosper System in accordance with this Agreement and which in its opinion may involve it in any expense or liability; provided, however, that any Licensee may, with the consent of the Licensor, which consent may be exercised by the Licensor in its sole and exclusive discretion, undertake any such action that it may deem necessary or desirable in respect of this Agreement and the rights and duties of the parties hereto. In such event, or if a Licensee deems it necessary to defend any such action, such Licensee shall be entitled to reimbursement from the Licensor for its reasonable legal expenses and costs of such action.

(c) Promptly upon receipt of notice of any claim, demand or assessment or the commencement of any suit, demand, action or proceeding in respect of which indemnity may be sought pursuant to Section 2.4, the Licensor will use its best efforts to notify the applicable Licensee in writing thereof in sufficient time for such Licensee to respond to such claim or answer or otherwise plead in such action. Except to the extent that the applicable Licensee is prejudiced thereby, the omission of the Licensor to promptly notify such Licensee of any such claim or action shall not relieve such Licensee from any liability which it may have to the Licensor in connection therewith. If any claim, demand or assessment shall be asserted or suit, action or proceeding commenced against the Licensor, the applicable Licensee will be entitled to participate therein, and to the extent it may wish to assume the defense, conduct or settlement thereof, with counsel reasonably satisfactory to the Licensor. After notice from the applicable Licensee to the Licensor of its election to assume the defense, conduct, or settlement thereof, such Licensee will not be liable to the Licensor for any legal or other expenses consequently incurred by the Licensor in connection with the defense, conduct or settlement thereof. The Licensor will cooperate with the applicable Licensee in connection with any such claim and make its personnel, books and records relevant to the claim available to such Licensee. In the event the applicable Licensee does not wish to assume the defense, conduct or settlement of any claim, demand or assessment, the Licensor will not settle such claim, demand or assessment without the prior written consent of such Licensee, which consent shall not be unreasonably withheld.

2.5 Additional Transfer Agreements.

Each of the Licensor and the Licensee hereby acknowledges and agrees that it will negotiate in good faith and enter into one or more transfer agreements, if necessary, to document any contributions or transfers of additional property to the Licensor from the Licensee that may include, without limitation, any and all improvements, enhancements, updates, error corrections, and other changes and additions to the Prosper System from and after the Closing Date (regardless of whether such improvements, enhancements, updates, error corrections, and other changes and additions are conceived, developed and/or made by, for or on behalf of the Licensor or the Licensee), or any additional hardware, software or other property related to the Prosper System. The Licensor and the Licensee hereby acknowledge and agree that any such agreement shall be substantially similar to the Asset Transfer Agreement.

ARTICLE III

AGREEMENTS OF THE CORPORATE ADMINISTRATOR

3.1 General Agreements of the Corporate Administrator.

(a) Appointment of the Corporate Administrator. The Company hereby appoints PMI as the initial Corporate Administrator, and PMI hereby accepts such appointment, to provide the ministerial and administrative services to the Company described in this Article III in accordance with the terms of this Agreement.

(b) Authority of the Corporate Administrator. The Corporate Administrator shall have full power and authority, acting alone or through agents (but subject to Section 10.2), to do or cause to be done any and all things in connection with such ministerial and administrative services that the Corporate Administrator may deem necessary or desirable, subject to and consistent with the terms of this Agreement and the Corporate Administration Standard, and any and all things that may or must otherwise be authorized by the Company.

(c) Corporate Administration Standard. The Corporate Administrator shall use commercially reasonable efforts to provide such services to the Company in accordance with industry standards customary for administrative services of the same general type and character as those to be provided hereunder, in each case (i) as long as PMI is the Corporate Administrator, in accordance with the provisions of the Company's Limited Liability Company Agreement (in particular the sections governing the limitations on the Company's activities), (ii) as long as PMI is the Corporate Administrator, in accordance with the provisions of the Unanimous Written Consent of the Board of Directors of Prosper Marketplace, Inc. dated October 23, 2012, (iii) in accordance with the Applicable Requirements, and (iv) without regard to:

(A) any relationship that the Corporate Administrator or any Affiliate of the Corporate Administrator may have with the Company; or

(B) the Corporate Administrator's right to receive compensation for its administrative services hereunder.

The standard set forth in the immediately preceding sentence shall be referred to herein as the "Corporate Administration Standard."

3.2 Corporate Administration Services.

The Company and the Corporate Administrator agree that the duties of the Corporate Administrator under this Agreement shall include the following:

(a) administering the Company's day-to-day operations, including supervision of the payment of the Company's related fees and expenses, in each case including the specific duties set forth below;

(b) giving on the Company's behalf such notices and communications as the Company may from time to time be required to give under this Agreement and the other Program Documents or that the Corporate Administrator, in accordance with the Applicable Requirements, deems it appropriate for the Company to give;

(c) maintaining the general accounting records of the Company and preparing such monthly, quarterly and annual financial statements as may be necessary or appropriate (it being understood that the Corporate Administrator shall not have any responsibility for the auditing of such financial statements other than to provide the same to the Company's independent accountants for certification by such accountants);

(d) retaining on behalf of and for the account of the Company an accounting firm to audit the Company's year-end financial statements;

(e) (i) preparing, or arranging for the preparation of, such income, franchise or other tax returns of the Company as shall be required to be filed by applicable law, (ii) filing, or arranging for the filing of, any such required tax returns, (iii) causing to be paid (but only from Company funds available for such purpose) any taxes required to be paid by the Company under applicable law, and (iv) not knowingly causing the Company to engage in any activity that would cause the Company to be subject to income or franchise tax on a net income basis by any taxing jurisdiction outside of the United States;

(f) retaining on behalf of and for the account of the Company outside counsel to provide on behalf of the Company such services as the Corporate Administrator from time to time deems appropriate;

(g) reviewing and analyzing any agreements entered into by the Company and establishing, in consultation with the Company, operating procedures to enable the Company to comply with the terms of such agreements;

(h) providing recordkeeping and maintenance, as required, to maintain the Company's limited liability company existence;

(i) preparing resolutions for consideration by the Company's board of directors in accordance with the Company's limited liability company agreement;

(j) preparing and having executed and filed all documents necessary to qualify the Company to do business in any jurisdiction in which such qualification is necessary or appropriate in connection with the Company's issuance of Securities, purchase of Borrower Loans or other activities under the Program Documents;

(k) maintain copies of all material agreements, contracts and other documents of the Company;

(l) in conjunction with the Company's counsel, monitoring (A) the federal and State licensing requirements that apply or may apply to the Company, including lender licensing requirements, and (B) the Company's compliance with applicable consumer protection laws including, without limitation, the Consumer Credit Protection Act, the Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act and the Electronic Signatures in Global and National Commerce Act, and arranging for the Company to obtain such licenses, to make such disclosures, to file such reports, and otherwise to take or refrain from taking all such actions, as will, to the best of the Corporate Administrator's knowledge, result in compliance with all such licensing requirements and laws;

(m) receiving notices on the Company's behalf to the extent that any Program Document designates the Corporate Administrator as the person to whom notices to the Company thereunder are to be directed;

(n) notifying the Company promptly, and in any event not more than one Business Day after becoming aware of the institution thereof, of the institution of any action, suit or proceeding against, or regulatory investigation of, the Company;

(o) establishing and maintaining all necessary bank accounts of the Company and manage the Company's cash in accordance with the terms and provisions of all material contracts of the Company;

(p) confirming that the Account Bank at all times remains an Eligible Bank; and if the Account Bank ceases to be an Eligible Bank, arranging for the transfer of the FBO Account and any funds therein to an Eligible Bank;

(q) to the extent that a Responsible Officer of the Corporate Administrator has actual knowledge of any failure of a party to a Core Document to perform any of its obligations to the Company, notifying the Company, as soon as practicable, of such failure;

(r) from time to time taking at the Company's expense such actions as the Company may reasonably request, or as the Corporate Administrator deems appropriate under the Corporate Administration Standard, to enforce the Company's rights under any Program Document or document related thereto;

(s) arranging for the execution by the Company of any documents and instruments necessary or incidental to the Program Documents and arranging for the execution of amendments to and waivers of the Program Documents deliverable by the Company thereunder or in connection therewith; provided that the Corporate Administrator shall not execute on behalf of the Company any amendment to this Agreement or waiver hereunder;

(t) at the direction of the Company, from time to time designating employees and agents of the Corporate Administrator to as act as attorneys-in-fact for the Company;

(u) otherwise assisting the Company to the extent provided in this Agreement to enable the Company to perform its obligations and duties under and in connection with, and to comply with the terms of, each of the Program Documents;

(v) developing, planning and implementing marketing programs designed to increase traffic to Company websites, applications for Borrower Loans, Listings, fundings of Borrower Loans and Note issuances, whether in the nature of social media outreach, web-based advertising and search engine advertisements, email campaigns, direct mail campaigns, the production and publication of newsletters and blogs, participation in interviews, and participation in and presentations at conferences and through webcasts and webinars, including engagement of third party marketing and advertising companies or consultants, but in all cases in a manner that PMI determines is likely to minimize confusion in all markets about the legal separateness of PMI and the Company and PMI's actions in these efforts being those of an agent of the Company and not as the owner or operator of the Prosper System or websites owned by the Company.

3.3 Corporate Administrator Books and Records.

(a) The Corporate Administrator shall provide to the Company an audited financial statement not later than ninety (90) days after the close of each of the Corporate Administrator's fiscal years. The Corporate Administrator shall make its corporate administration personnel available during regular business hours to respond to reasonable inquiries from the Company and upon the Company's request shall give the Company's authorized representative(s) opportunity upon notice at any time during the Corporate Administrator's normal business hours to examine the Corporate Administrator's books and records relating to its services hereunder. The Corporate Administrator will keep records in accordance with industry standards pertaining to the administrative services provided hereunder, and such records shall be the property of the Company and upon termination of this Agreement shall be delivered to the Company at the Company's expense.

(b) Without limiting the generality of Section 3.3(a), the Corporate Administrator shall permit any officer, employee or designated representative of the Company, as well as any governmental regulator having supervisory authority over the Company, at any reasonable time during regular business hours and upon reasonable advance notice by the Company, to conduct an audit and examination on the Corporate Administrator's premises of the Corporate Administrator's books and records and operating procedures including, but not limited to, the Corporate Administrator's compliance with the terms, conditions, requirements, procedures, covenants, representations and warranties of this Agreement, with respect to the administrative services provided by the Corporate Administrator; provided, however, that any such examination or audit shall be conducted upon prior notice and during normal business hours and shall be conducted so as not to materially disrupt the Corporate Administrator's business activities. The Corporate Administrator shall make its officers, employees and/or designated representatives available to the Company for all such audits and examinations and shall cooperate with the Company in all such audits and examinations. All such access, audits or examinations shall be conducted without charge to the Company. For the purposes of this Agreement with respect to any such examination or audit, the regular business hours of the Corporate Administrator are Monday through Friday, 9:00 am to 5:00 pm Pacific Standard Time; provided, however, that any audit and examination of the Corporate Administrator's books and records and operating procedures, and the Corporate Administrator's compliance with the terms, conditions, requirements, procedures, covenants, representations and warranties of this Agreement, by the Company, any regulatory agency having supervisory authority over the Company or the Corporate Administrator or by any third party engaged by the Company shall in no way diminish, reduce, eliminate or nullify the Corporate Administrator's liabilities or indemnification obligations or other obligations, responsibilities or duties under this Agreement.

3.4 Corporate Administrator Advances.

For as long as PMI is the Corporate Administrator, the Corporate Administrator may (but is not obligated to) advance from its own funds amounts due from the Company to third-party service providers in connection with the administration of the Company's business; provided that (i) the Corporate Administrator reasonably expects the Company to repay such advances in the foreseeable future from the Company's cash flow from operations and (ii) the Company is not insolvent at the time the Corporate Administrator makes any such advance. Subject to Section 3.5, the Company shall reimburse the Corporate Administrator upon request for any amounts so paid by the Corporate Administrator but no such reimbursement shall be paid from any funds that, under the Indenture, are allocated to the payment of Securities.

3.5 Fees and Reimbursement of the Corporate Administrator.

(a) The Company shall pay to the Corporate Administrator from time to time the fee described in Exhibit C hereto (the "Corporate Administration Fee"). The Company hereby authorizes the Corporate Administrator to deduct and withdraw from the Fee Account any Corporate Administrator Fees due to the Corporate Administrator.

(b) In the event the Corporate Administrator is entitled under this Agreement to reimbursement for any expenses incurred by it under this Agreement, it shall send the Company a written request for such reimbursement reasonably documented by the Corporate Administrator in accordance with the Corporate Administration Standard. The Company may request additional information if the same is reasonably required by the Company to determine the accuracy and validity of the reimbursement request.

(c) If the Company in good faith disputes the Corporate Administrator's right to reimbursement for any charge or the amount of any requested reimbursement, it shall notify the Corporate Administrator within ten (10) Business Days after receipt of the request for reimbursement. Initial notification should be verbal, followed by written notification by such deadline, describing the basis of the dispute and the disputed amount if such dispute cannot be resolved immediately. The Company shall pay the amounts due under this Agreement less the amount disputed, and the parties shall diligently and in good faith proceed to resolve such disputed amount.

(d) The Corporate Administrator is authorized to pay to itself from the Fee Account, in the same manner as the Corporate Administration Fee (but only from funds not allocated to the payment of Securities), any reimbursement amount not disputed by the Company within ten (10) Business Days of the date the Corporate Administrator submits the related reimbursement request to the Company and any disputed amount that is resolved in the Corporate Administrator's favor. If the Company determines after such tenth Business Day that it has good cause to dispute any reimbursement amount submitted by the Corporate Administrator, it shall promptly so notify the Corporate Administrator and the parties shall diligently and in good faith proceed to resolve the disputed amount. Any such disputed amount that has previously been paid by the Company and is resolved in the Company's favor shall be promptly refunded to the Company by the Corporate Administrator.

3.6 Corporate Administrator's Licenses.

The Corporate Administrator shall maintain at all times during the term of this Agreement all material licenses and approvals required by applicable regulatory agencies and governmental authorities, including all material licenses and approvals necessary in each state where the laws of such state require licensing or qualification in order for the Corporate Administrator to provide administrative services to the Company as contemplated in this Agreement, and in any event the Corporate Administrator shall remain in compliance with the laws and regulations of any such state to the extent necessary to ensure the valid conduct of the Company's business.

3.7 Corporate Administrator's Power of Attorney.

The Company shall furnish the Corporate Administrator with any reasonably required documents related to the administrative services provided hereunder as the Corporate Administrator shall reasonably request to enable the Corporate Administrator to carry out its administrative duties hereunder. The Company shall execute any documentation furnished to it by the Corporate Administrator for recordation by the Corporate Administrator in the appropriate jurisdictions, as shall be necessary to effectuate the foregoing.

3.8 Indemnification by the Corporate Administrator.

(a) The Corporate Administrator and any director, officer, employee or agent of the Corporate Administrator may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder, except to the extent the Corporate Administrator knows that such document is false, misleading, inaccurate or incomplete.

(b) The Corporate Administrator agrees to indemnify, defend and hold the Company and its successors, assigns, officers, directors, employees and agents harmless from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel), joint or several (collectively, "Corporate Administrator Damages"), directly or indirectly resulting from or arising out of, (i) the failure of the Corporate Administrator to perform its duties in accordance with the terms of this Agreement, (ii) the material breach of any of the Corporate Administrator's representations, warranties, covenants or agreements contained in this Agreement including, but not limited to, confidentiality provisions, or (iii) infringement or misappropriation by the Corporate Administrator of any patent, copyright, trademark, servicemark, trade secret or other proprietary right of any other Person; provided, however, that the Corporate Administrator shall not be responsible for any Corporate Administrator Damages resulting from or arising out of (i) the failure of the Company to perform its duties in accordance with the terms of this Agreement (unless such failure resulted from the actions or omissions of the Corporate Administrator), (ii) the material breach of any of the Company's representations, warranties, covenants or agreements contained in this Agreement, or (iii) compliance with any instructions of the Company to the extent that compliance with such instructions does not comply with Applicable Requirements.

(c) Except as otherwise expressly provided herein, the Corporate Administrator shall not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its duties to provide administrative services in accordance with this Agreement and which in its opinion may involve it in any expense or liability; provided, however, that the Corporate Administrator may, with the consent of the Company, which consent may be exercised by the Company in its sole and exclusive discretion, undertake any such action that it may deem necessary or desirable in respect of this Agreement and the rights and duties of the parties hereto. In such event, or if the Corporate Administrator deems it necessary to defend any such action, the Corporate Administrator shall be entitled to reimbursement from the Company for its reasonable legal expenses and costs of such action.

(d) Promptly upon receipt of notice of any claim, demand or assessment or the commencement of any suit, demand, action or proceeding in respect of which indemnity may be sought pursuant to Section 3.8, the Company will use its best efforts to notify the Corporate Administrator in writing thereof in sufficient time for the Corporate Administrator to respond to such claim or answer or otherwise plead in such action. Except to the extent that the Corporate Administrator is prejudiced thereby, the omission of the Company to promptly notify the Corporate Administrator of any such claim or action shall not relieve the Corporate Administrator from any liability which it may have to the Company in connection therewith. If any claim, demand or assessment shall be asserted or suit, action or proceeding commenced against the Company, the Corporate Administrator will be entitled to participate therein, and to the extent it may wish to assume the defense, conduct or settlement thereof, with counsel reasonably satisfactory to the Company. After notice from the Corporate Administrator to the Company of its election to assume the defense, conduct, or settlement thereof, the Corporate Administrator will not be liable to the Company for any legal or other expenses consequently incurred by the Company in connection with the defense, conduct or settlement thereof. The Company will cooperate with the Corporate Administrator in connection with any such claim and make its personnel, books and records relevant to the claim available to the Corporate Administrator. In the event the Corporate Administrator does not wish to assume the defense, conduct or settlement of any claim, demand or assessment, the Company will not settle such claim, demand or assessment without the prior written consent of the Corporate Administrator, which consent shall not be unreasonably withheld.

3.9 Termination of the Corporate Administrator.

(a) This Article III shall be effective from the Closing Date and shall extend until the Company or the Corporate Administrator terminates it pursuant to and in accordance with this Section 3.9.

(b) In the event that the Corporate Administrator breaches any of its obligations under this Agreement in any material respect, the Company shall give prompt written notice to the Corporate Administrator. If the Corporate Administrator breaches any of its obligations under this Agreement in any material respect and does not cure such breach within thirty (30) days from the date that the Corporate Administrator receives the Company's notice of breach, the Company may terminate this Article III.

(c) Upon one hundred eighty (180) calendar days' notice to the Corporate Administrator, the Company may terminate this Article III without cause and at its sole option; provided, however, that the Company may not terminate this Article III pursuant to this Section 3.9(c) prior to the third anniversary of the Closing Date of this Agreement.

(d) This Article III shall terminate automatically and immediately, without the need for a notice from the Company, (i) upon the entry by a court having jurisdiction over the Corporate Administrator of (A) a decree or order for relief in respect of the Corporate Administrator in an involuntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudicating the Corporate Administrator as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of or for the Corporate Administrator under any applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporate Administrator or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order not stayed or dismissed and in effect for a period of more than 60 consecutive days, or (ii) the commencement by the Corporate Administrator of a voluntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Corporate Administrator to the entry of a decree or order for relief in respect of the Corporate Administrator in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Corporate Administrator, or the filing by the Corporate Administrator of a petition or answer or consent seeking reorganization or relief under any applicable law, or the consent by the Corporate Administrator to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of or for the Corporate Administrator or of any substantial part of the Corporate Administrator's property, or the making by the Corporate Administrator of an assignment for the benefit of creditors, or the admission by the Corporate Administrator in writing of the Corporate Administrator's inability to pay its debts generally as they become due, or the taking of corporate action by the Corporate Administrator in furtherance of any such action.

(e) In the event that the Company materially breaches any of its obligations under this Agreement with respect to the Corporate Administrator, the Corporate Administrator shall give prompt written notice to the Company. If the Company commits any material breach of its obligations under this Agreement with respect to the Corporate Administrator, and such breach is not cured by the Company within thirty (30) days from the date that the Company receives the Corporate Administrator's notice of breach, the Corporate Administrator may terminate its obligations under this Article III.

(f) Upon one hundred eighty (180) calendar days' notice to the Company, the Corporate Administrator may terminate its obligations under this Article III without cause and at its sole option; provided, however, that no such termination by the Corporate Administrator shall be effective unless a successor service provider acceptable to the Company has accepted appointment on terms acceptable to the Company.

(g) This Article III shall terminate automatically and immediately, without the need for a notice from the Corporate Administrator, (i) upon the entry by a court having jurisdiction over the Company of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudicating the Company as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of or for the Company under any applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order not stayed or dismissed and in effect for a period of more than 60 consecutive days, or (ii) the commencement by the Company of a voluntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Company to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under any applicable law, or the consent by the Company to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of or for the Company or of any substantial part of the Company's property, or the making by the Company of an assignment for the benefit of creditors, or the admission by the Company in writing of the Company's inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action.

3.10 Transfer upon Termination.

(a) The Corporate Administrator agrees in connection with any termination of its obligations under this Article III to transfer the administrative services to the Company or a successor service provider designated by the Company as soon as reasonably practicable. Until such time of transfer, the services and obligations of the Corporate Administrator and the Corporate Administrator's obligations to provide termination assistance shall continue in full force and effect, provided that Company shall use good faith, commercially reasonable efforts to cause the transfer of services and obligations as promptly as possible, and shall pay all fees, compensation or other amounts due under this Article III, and otherwise perform all of its obligations under this Article III, during such period. Upon termination of the Corporate Administrator's services and obligations under this Article III, the Corporate Administrator shall prepare, execute and deliver to the successor entity designated by the Company any and all Borrower Loan Documents and other instruments in its possession with respect to the Borrower Loans, place in such successor's possession all of the documents, information and records relating to the Company that are in its possession, and, in a timely manner, do or cause to be done all other acts or things necessary or appropriate to effect the purposes of such notice of termination, (i) at the Corporate Administrator's sole cost and expense if the termination is pursuant to Sections 3.9(b), (d) or (f), or (ii) at the Company's sole cost and expense if the termination is for any other reason. Upon any transfer of services upon the termination of the Corporate Administrator's obligations under this Article III, the Company and the Corporate Administrator shall cooperatively send all transfer of services notices from the transferor service provider required by the Applicable Requirements to the Borrowers entitled to said notice. Notwithstanding anything in this Agreement to the contrary, no termination fees shall be payable by any party upon any termination of this Agreement.

(b) In connection with any termination or transfer, on the services transfer date, the Company shall reimburse the terminated or terminating Corporate Administrator for all related expenses subject to recovery or reimbursement hereunder, as well as any related unpaid fees, net of any amounts owed to the Company by the Corporate Administrator pursuant to this Article III.

(c) The indemnification of the Corporate Administrator set forth in this Article III and the representations and warranties of the parties set forth in this Agreement, and any obligations of the parties in this Agreement that by their terms survive termination, shall survive the termination or assignment of this Article III.

ARTICLE IV

AGREEMENTS OF THE LOAN PLATFORM ADMINISTRATOR

4.1 General Agreements of the Loan Platform Administrator.

(a) Appointment of the Loan Platform Administrator. The Company hereby appoints PMI as the initial Loan Platform Administrator, and PMI hereby accepts such appointment, to manage the Prosper System on the Company's behalf and otherwise provide services to the Company in accordance with the terms of this Agreement.

(b) Authority of the Loan Platform Administrator. The Loan Platform Administrator shall have full power and authority, acting alone or through agents (but subject to Section 10.2), to do or cause to be done any and all things in connection with such management which the Loan Platform Administrator may deem necessary or desirable, subject to and consistent with the terms of this Agreement and the Platform Administration Standard, and any and all things that may or must otherwise be authorized by the Company.

(c) Platform Administration Standard. The Loan Platform Administrator shall use commercially reasonable efforts to manage the Prosper System in accordance with industry standards customary for online credit platforms of the same general type and character as the Prosper System, in each case (i) as long as PMI is the Loan Platform Administrator, in accordance with the provisions of the Company's Limited Liability Company Agreement (in particular the sections governing the limitations on the Company's activities), (ii) as long as PMI is the Loan Platform Administrator, in accordance with the provisions of the Unanimous Written Consent of the Board of Directors of Prosper Marketplace, Inc. dated October 23, 2012, (iii) in accordance with the Applicable Requirements, and (iv) without regard to:

(A) any relationship that the Loan Platform Administrator or any Affiliate of the Loan Platform Administrator may have with the Company; or

(B) the Loan Platform Administrator's right to receive compensation for its services hereunder.

The standard set forth in the immediately preceding sentence shall be referred to herein as the "Platform Administration Standard."

4.2 Platform Administration Services.

The Company and the Loan Platform Administrator agree that the duties of the Loan Platform Administrator under this Agreement shall include the following:

(a) managing, maintaining and operating the Prosper System on the Company's behalf;

(b) auditing and supervising the operation of, and the input, generation and storage of data and information into, the Prosper System;

(c) inputting all data and information into the Prosper System with respect to the Borrowers, the Borrower Loans, the Borrower Loan Documents;

(d) supervising the maintenance of the hardware and software that comprise the Prosper System;

(e) causing the periodic back-up of the Prosper System and the information contained therein;

(f) supervising the issuance, sale and timely payment of the Securities;

(g) assisting with the purchase by the Company of Borrower Loans by directing or instructing the Account Bank to withdraw from or transfer from the FBO Account amounts necessary to purchase, from time to time, one or more Borrower Loans from Bank, and to deposit such amounts into the Collateral Account;

(h) supervising the maintenance, operation and periodic updating with new content and information of the Prosper Website;

(i) paying, or causing the payment of, the Company's related fees and expenses (with the Company's own funds);

(j) preparing and delivering on the Company's behalf such certifications, communications, notices, reports and other documents as the Company may from time to time be required to give under this Agreement and the other Program Documents or that the Loan Platform Administrator, in accordance with the Applicable Requirements, deems it appropriate for the Company to give;

(k) in conjunction with the Company's counsel, (i) confirming that the Lender-Members will not, solely by reason of their purchase of Securities through the Prosper System, become subject to lender licensing requirements or other licensing requirements in any State in which Securities are offered for sale, (ii) undertaking periodic reviews of the federal, state and local legal and regulatory requirements (including statutes, rules, regulations and ordinances) binding upon the Company to identify any changes thereof and (iii) prepare, draft and implement changes in the Company's policies and procedures to reflects changes in applicable laws and regulations or to improve the Company's business operations;

(l) receiving audit results, certifications, notices, reports and other documents on the Company's behalf to the extent that any Program Document designates the Loan Platform Administrator as the person to whom notices to the Company thereunder are to be directed, and (i) forwarding such audit results, certifications, notices, reports and other documents to the relevant employees, agents, independent contractors or third parties that perform work on behalf of the Company and (ii) update the Prosper System and the Prosper Website, as appropriate, based on the information contained in such audit results, certifications, notices, reports and other documents;

(m) monitoring the disclosures concerning the Company made on the Prosper Website and confirming on the Company's behalf that all such disclosures are accurate and complete in all material respects; and further confirming, on a continuing basis, that the Prosper System is so structured and operated that (i) Borrower Loans cannot be obtained except by Borrower-Members, and (ii) Securities cannot be purchased except by Lender-Members;

(n) monitoring the operating terms of the Note Trader Platform; advising the Company if it determines, at any time, that any changes to such terms are desirable; and confirming, on a continuing basis, that Securities cannot be purchased through the Note Trader Platform except by Lender-Members;

(o) arranging for the Company to comply with the Privacy Policy in the operation of the Prosper System and, in conjunction with the Company's counsel, updating the Privacy Policy as needed to conform to changes in applicable law;

(p) to the extent that a Responsible Officer of the Loan Platform Administrator has actual knowledge of any failure of a party to a Program Document to perform any of its obligations to the Company, notifying the Company, as soon as practicable, of such failure;

(q) from time to time, taking at the Company's expense such actions as the Company may reasonably request, or as the Loan Platform Administrator deems appropriate under the Platform Administration Standard, to enforce the Company's rights under any Program Document or document related thereto;

(r) arranging for the execution by the Company of any documents and instruments necessary or incidental to the Program Documents and arranging for the execution of amendments to and waivers of the Program Documents deliverable by the Company thereunder or in connection therewith; provided that the Loan Platform Administrator shall not execute on behalf of the Company any amendment to this Agreement or waiver hereunder;

(s) at the direction of the Company, from time to time designating employees and agents of the Loan Platform Administrator to as act as attorneys-in-fact for the Company; and

(t) otherwise assisting the Company to the extent provided in this Agreement to enable the Company to perform its obligations and duties under and in connection with, and to comply with the terms of, each of the Program Documents.

4.3 Securities-Related Services by the Loan Platform Administrator.

The Loan Platform Administrator's duties on behalf of the Company in connection with the Company's issuance and sale of its Securities shall include:

(a) from time to time facilitate the issuance by the Company of Securities pursuant to the Prosper System and the Indenture and applying the proceeds of each series of Securities to the Company's purchase of the Corresponding Borrower Loan from the Bank pursuant to the Loan Sale Agreement;

(b) confirming prior to the issuance of any series of Securities that each Lender-Member who is purchasing any such Security has sufficient available funds in the FBO Account to pay the purchase price of its Security;

(c) supervising the preparation, and arranging for the filing, of all registration statements, prospectus supplements, consents or other documents that the Company is required to prepare or file in connection with its offering of Securities, including any required filings with the SEC (including, for the avoidance of doubt, any filings required under the Securities Act or Rule 15Ga-1) and State securities commissions;

(d) supervising the preparation, and arranging for the filing, of all periodic reports or other documents that the Company is required to prepare or file under the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder or as otherwise required by any State securities commission;

(e) without limitation to Section 4.3(d), in conjunction with the Company's counsel confirming that, at the time any Securities are issued, (i) the Company's registration statement with the SEC remains effective, and (ii) the Company's registration statement in each State in which such Securities will be sold (other than any such State in which registration is not required) remains effective;

(f) in conjunction with the Company's counsel, (i) confirming that any eligibility criteria that apply under the laws of any State to Lender-Members located in such State are appropriately disclosed on the Prosper Website; and further confirming that each Lender-Member located in any such State is required to confirm, as a condition precedent to the purchase of any Securities, that it satisfies the applicable eligibility criteria, (ii) undertaking periodic reviews of the laws of any State that apply to Lender-Members to identify any changes thereof or any new public guidance or interpretation of such laws and (iii) prepare, draft and implement changes in the Company's policies and procedures to reflect such changes in State laws, public guidance or interpretation;

(g) holding, maintaining and preserving books and records with respect to the Company's issuance and sale of the Securities;

(h) interact with and supervise FOLIO*fn* with respect to the transfer of any Security that occurs in FOLIO*fn*'s Note Transfer Platform;

(i) in conjunction with the Company's counsel, (i) reviewing and confirming from time to time that any accessibility and suitability rules that FOLIO*fn* has put into effect for purposes of effecting transfer of Securities are up to date, (ii) undertaking periodic reviews of any federal, state and local laws and regulations that apply to Lender-Members that trade Securities in FOLIO*fn*'s note trading platform, and identify any changes thereof or any new public guidance or interpretation of such laws, (iii) prepare, draft and implement changes in the Company's policies and procedures to reflect such changes in law, public guidance or interpretation and (iv) inform FOLIO*fn* of any such changes; and

(j) supervising and auditing FOLIO*fn*'s performance under, and compliance with, the Program Documents to which FOLIO*fn* is a party, and informing the Company of any material breaches by FOLIO*fn* of its obligations under the Program Documents.

4.4 Posting and Funding of Borrower Loans.

The Loan Platform Administrator's duties in connection with the posting of Loan Listings on the Prosper Website and the funding of Borrower Loans shall include the following:

(a) confirming that each Borrower-Member for whom any Loan Listing is posted satisfies the eligibility criteria then applicable to borrowers under the Prosper System (including any required minimum credit score);

(b) determining with reference to (i) the applicable Prosper Rating and (ii) such other factors as the Loan Platform Administrator deems appropriate in accordance with the Prosper System, the Loan Rate for each Loan Listing;

(c) causing each Loan Listing to include the requested loan amount, the Loan Rate, the Prosper Score, the Prosper Rating, the lender's yield percentage, whether partial funding will be permitted and such other relevant information as the Prosper System or the Prospectus may then require (including any disclosures required for the Company to satisfy its undertakings regarding the content of loan listings set forth in the Prospectus under the heading "About Prosper — Posted Borrower Loan Listings" (as such disclosure is from time to time amended or replaced));

(d) except as the Company and the Loan Platform Administrator may otherwise agree in writing, confirming that each Borrower Loan has a term of between one month and seven years, is repayable in monthly installments and has the origination fee and interest rate that appropriately corresponds to the Prosper Rating assigned to the related Loan Listing;

(e) monitoring the transfer from the Bank to the applicable Borrower on the Loan Funding Date of the principal amount of the relevant Borrower Loan, net of any origination fees or other fees and expenses then payable by the Borrower pursuant to the Borrower Registration Agreement;

(f) on behalf of the Company as authorized agent for each Borrower under its Borrower Registration Agreement, executing a Loan Note on each Loan Funding Date to evidence the applicable Borrower Loan;

(g) holding, maintaining and preserving records with respect to the Company's purchase of Borrower Loans and all related funds transfers; and

(h) assisting the Loan and Note Servicer to post on or make available through the Prosper Website certain information, as directed by the Loan and Note Servicer from time or as specified in this Agreement.

4.5 Prosper Ratings, Prosper Scores and Borrower Verification.

The Loan Platform Administrator shall assign a Prosper Rating and a Prosper Score to each Loan Listing in accordance with the Rating Procedures. The Company acknowledges that the Loan Platform Administrator has disclosed to it the Rating Procedures that are in effect on the Closing Date. The Loan Platform Administrator shall follow such Rating Procedures and not amend the Rating Procedures without the Company's prior written consent; provided that (i) the Company shall not unreasonably withhold any such consent, and (ii) the Company's consent shall not be required in connection with (A) technical changes to the Rating Procedures that correct any errors, inconsistencies or ambiguities therein (as determined by the Loan Platform Administrator in its sole good faith discretion), or (B) changes made to the Prosper Rating or Prosper Score of any Loan Listing to correct any error made in the Prosper Rating or Prosper Score originally assigned to it. The Loan Platform Administrator agrees to monitor the performance of the Loans, relative to their respective Prosper Ratings and Prosper Scores, and from time to time to notify the Company if it determines that changes should be made to the Rating Procedures to improve the accuracy of the Prosper Ratings and Prosper Scores. The Loan Platform Administrator further agrees that it will verify the identity of each Borrower and will verify income and employment information for a subset of Borrowers, and based on the results of its investigations will cancel certain Loan Listings, in each case in the manner, and to the extent, contemplated by the Company's disclosures under the heading "About the Platform — Borrower Identity and Financial Information Verification" in the Prospectus (as such disclosure is from time to time amended or replaced).

4.6 Loan Platform Administrator Books and Records.

(a) Except when the Contract Administrator and the Loan Platform Administrator are the same Person, the Loan Platform Administrator shall provide to the Company an audited financial statement not later than ninety (90) days after the close of each of the Loan Platform Administrator's fiscal years. The Loan Platform Administrator shall make its platform management personnel available during regular business hours to respond to reasonable inquiries from the Company and upon the Company's request shall give the Company's authorized representative(s) opportunity upon notice at any time during the Loan Platform Administrator's normal business hours to examine the Loan Platform Administrator's books and records relating to its services hereunder. The Loan Platform Administrator will keep records in accordance with industry standards pertaining to each Borrower Loan and Security, and such records shall be the property of the Company and upon termination of this Agreement shall be delivered to the Company at the Company's expense.

(b) Without limiting the generality of Section 4.6(a), the Loan Platform Administrator shall permit any officer, employee or designated representative of the Company, as well as any governmental regulator having supervisory authority over the Company, at any reasonable time during regular business hours and upon reasonable advance notice by the Company, to conduct an audit and examination on the Loan Platform Administrator's premises of the Loan Platform Administrator's books and records and operating procedures including, but not limited to, the Loan Platform Administrator's compliance with the terms, conditions, requirements, procedures, covenants, representations and warranties of this Agreement, with respect to the Borrower Loans, the Securities and the Loan Platform Administrator's management of the Prosper System; provided, however, that any such examination or audit shall be conducted upon prior notice and during normal business hours and shall be conducted so as not to materially disrupt the Loan Platform Administrator's business activities. The Loan Platform Administrator shall make its officers, employees and/or designated representatives available to the Company for all such audits and examinations and shall cooperate with the Company in all such audits and examinations. All such access, audits or examinations shall be conducted without charge to the Company. For the purposes of this Agreement with respect to any such examination or audit, the regular business hours of the Loan Platform Administrator are Monday through Friday, 9:00 am to 5:00 pm Pacific Standard Time; provided, however, that any audit and examination of the Loan Platform Administrator's books and records, operating procedures, practices, the Borrower Loan Documents, the Securities or the Prosper System, and the Loan Platform Administrator's compliance with the terms, conditions, requirements, procedures, covenants, representations and warranties of this Agreement, by the Company, any regulatory agency having supervisory authority over the Company or the Loan Platform Administrator or by any third party engaged by the Company shall in no way diminish, reduce, eliminate or nullify the Loan Platform Administrator's liabilities or indemnification obligations or other obligations, responsibilities, or duties under this Agreement.

4.7 Loan Platform Administrator Advances.

For as long as PMI is the Loan Platform Administrator, the Loan Platform Administrator may (but is not obligated to) advance from its own funds amounts due from the Company to third party service providers in connection with the administration of the Company's business; provided that (i) the Loan Platform Administrator reasonably expects the Company to repay such advances in the foreseeable future from the Company's cash flow from operations and (ii) the Company is not insolvent at the time the Loan Platform Administrator makes any such advance. Subject to Section 4.8, the Company shall reimburse the Loan Platform Administrator upon request for any amounts so paid by the Loan Platform Administrator but no such reimbursement shall be paid from any funds that, under the Indenture, are allocated to the payment of Securities.

4.8 Fees and Reimbursement of the Loan Platform Administrator.

(a) The Company shall pay to the Loan Platform Administrator from time to time the fee described in Exhibit C hereto (the "Loan Platform Servicing Fee"). The Company hereby instructs the Corporate Administrator to deduct and withdraw from the Fee Account and pay to the Loan Platform Administrator any Loan Platform Servicing Fees due to the Loan Platform Administrator.

(b) In the event the Loan Platform Administrator is entitled under this Agreement to reimbursement for any expenses incurred by it under this Agreement, it shall send the Company a written request for such reimbursement reasonably documented by the Loan Platform Administrator in accordance with the Platform Administration Standard. The Company may request additional information if the same is reasonably required by the Company to determine the accuracy and validity of the reimbursement request.

(c) If the Company in good faith disputes the Loan Platform Administrator's right to reimbursement for any charge or the amount of any requested reimbursement, it shall notify the Loan Platform Administrator within ten (10) Business Days after receipt of the request for reimbursement. Initial notification should be verbal, followed by written notification by such deadline, describing the basis of the dispute and the disputed amount if such dispute cannot be resolved immediately. The Company shall pay the amounts due under this Agreement less the amount disputed, and the parties shall diligently and in good faith proceed to resolve such disputed amount.

(d) The Company hereby instructs the Corporate Administrator to pay the Loan Platform Administrator from the Fee Account (but only from funds not allocated to the payment of Securities), any reimbursement amount not disputed by the Company within ten (10) Business Days of the date the Loan Platform Administrator submits the related reimbursement request to the Company and any disputed amount that is resolved in the Loan Platform Administrator's favor. If the Company determines after such tenth Business Day that it has good cause to dispute any reimbursement amount submitted by the Loan Platform Administrator, it shall promptly so notify the Loan Platform Administrator and the parties shall diligently and in good faith proceed to resolve the disputed amount. Any such disputed amount that has previously been paid by the Company and is resolved in the Company's favor shall be promptly refunded to the Company by the Loan Platform Administrator.

4.9 Loan Platform Administrator's Licenses.

The Loan Platform Administrator shall maintain at all times during the term of this Agreement all material licenses and approvals required by applicable regulatory agencies and governmental authorities, including all material licenses and approvals necessary in each state where Members are located if the laws of such state require licensing or qualification in order to conduct the business of the Loan Platform Administrator with respect to the Borrower Loans, the Securities or the Members, including as contemplated in this Agreement, and in any event the Loan Platform Administrator shall remain in compliance with the laws and regulations of any such state to the extent necessary to ensure the enforceability of the Borrower Loans.

4.10 Loan Platform Administrator's Power of Attorney.

The Company shall furnish the Loan Platform Administrator with any reasonably required documents related to the management of the Prosper System as the Loan Platform Administrator shall reasonably request to enable the Loan Platform Administrator to carry out its services and duties hereunder. The Company shall execute any documentation furnished to it by the Loan Platform Administrator for recordation by the Loan Platform Administrator in the appropriate jurisdictions, as shall be necessary to effectuate the foregoing.

4.11 Indemnification by the Loan Platform Administrator.

(a) The Loan Platform Administrator and any director, officer, employee or agent of the Loan Platform Administrator may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder, except to the extent the Loan Platform Administrator knows that such document is false, misleading, inaccurate or incomplete.

(b) The Loan Platform Administrator agrees to indemnify, defend and hold the Company and its successors, assigns, officers, directors, employees and agents harmless from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel), joint or several (collectively, "Loan Platform Administrator Damages"), directly or indirectly resulting from or arising out of, (i) the failure of the Loan Platform Administrator to perform its duties in accordance with the terms of this Agreement, (ii) the material breach of any of the Loan Platform Administrator's representations, warranties, covenants or agreements contained in this Agreement including, but not limited to, confidentiality provisions, or (iii) infringement or misappropriation by the Loan Platform Administrator of any patent, copyright, trademark, servicemark, trade secret or other proprietary right of any other Person; provided, however, that the Loan Platform Administrator shall not be responsible for any Loan Platform Administrator Damages resulting from or arising out of (i) the failure of the Company to perform its duties in accordance with the terms of this Agreement (unless such failure resulted from the actions or omissions of the Loan Platform Administrator), (ii) the material breach of any of the Company's representations, warranties, covenants or agreements contained in this Agreement, or (iii) compliance with any instructions of the Company to the extent that compliance with such instructions does not comply with Applicable Requirements.

(c) Except as otherwise expressly provided herein, the Loan Platform Administrator shall not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its duties to provide platform administration services in accordance with this Agreement and which in its opinion may involve it in any expense or liability; provided, however, that the Loan Platform Administrator may, with the consent of the Company, which consent may be exercised by the Company in its sole and exclusive discretion, undertake any such action that it may deem necessary or desirable in respect of this Agreement and the rights and duties of the parties hereto. In such event, or if the Loan Platform Administrator deems it necessary to defend any such action, the Loan Platform Administrator shall be entitled to reimbursement from the Company for its reasonable legal expenses and costs of such action.

(d) Promptly upon receipt of notice of any claim, demand or assessment or the commencement of any suit, demand, action or proceeding in respect of which indemnity may be sought pursuant to Section 4.11, the Company will use its best efforts to notify the Loan Platform Administrator in writing thereof in sufficient time for the Loan Platform Administrator to respond to such claim or answer or otherwise plead in such action. Except to the extent that the Loan Platform Administrator is prejudiced thereby, the omission of the Company to promptly notify the Loan Platform Administrator of any such claim or action shall not relieve the Loan Platform Administrator from any liability which it may have to the Company in connection therewith. If any claim, demand or assessment shall be asserted or suit, action or proceeding commenced against the Company, the Loan Platform Administrator will be entitled to participate therein, and to the extent it may wish to assume the defense, conduct or settlement thereof, with counsel reasonably satisfactory to the Company. After notice from the Loan Platform Administrator to the Company of its election to assume the defense, conduct, or settlement thereof, the Loan Platform Administrator will not be liable to the Company for any legal or other expenses consequently incurred by the Company in connection with the defense, conduct or settlement thereof. The Company will cooperate with the Loan Platform Administrator in connection with any such claim and make its personnel, books and records relevant to the claim available to the Loan Platform Administrator. In the event the Loan Platform Administrator does not wish to assume the defense, conduct or settlement of any claim, demand or assessment, the Company will not settle such claim, demand or assessment without the prior written consent of the Loan Platform Administrator, which consent shall not be unreasonably withheld.

4.12 Termination of the Loan Platform Administrator.

(a) This Article IV shall be effective from the Closing Date and shall extend until the Company or the Loan Platform Administrator terminates it pursuant to and in accordance with this Section 4.12.

(b) In the event that the Loan Platform Administrator breaches any of its obligations under this Agreement in any material respect, the Company shall give prompt written notice to the Loan Platform Administrator. If the Loan Platform Administrator breaches any of its obligations under this Agreement in any material respect and does not cure such breach within thirty (30) days from the date that the Loan Platform Administrator receives the Company's notice of breach, the Company may terminate this Article IV.

(c) Upon one hundred eighty (180) calendar days' notice to the Loan Platform Administrator, the Company may terminate this Article IV without cause and at its sole option; provided, however, that the Company may not terminate this Article IV pursuant to this Section 4.12.(c) prior to the third anniversary of the Closing Date of this Agreement.

(d) This Article IV shall terminate automatically and immediately, without the need for a notice from the Company, (i) upon the entry by a court having jurisdiction over the Loan Platform Administrator of (A) a decree or order for relief in respect of the Loan Platform Administrator in an involuntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudicating the Loan Platform Administrator as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of or for the Loan Platform Administrator under any applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Loan Platform Administrator or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order not stayed or dismissed and in effect for a period of more than 60 consecutive days, or (ii) the commencement by the Loan Platform Administrator of a voluntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Loan Platform Administrator to the entry of a decree or order for relief in respect of the Loan Platform Administrator in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Loan Platform Administrator, or the filing by the Loan Platform Administrator of a petition or answer or consent seeking reorganization or relief under any applicable law, or the consent by the Loan Platform Administrator to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of or for the Loan Platform Administrator or of any substantial part of the Loan Platform Administrator's property, or the making by the Loan Platform Administrator of an assignment for the benefit of creditors, or the admission by the Loan Platform Administrator in writing of the Loan Platform Administrator's inability to pay its debts generally as they become due, or the taking of corporate action by the Loan Platform Administrator in furtherance of any such action.

(e) In the event that the Company materially breaches any of its obligations under this Agreement with respect to the Loan Platform Administrator, the Loan Platform Administrator shall give prompt written notice to the Company. If the Company commits any material breach of its obligations under this Agreement with respect to the Loan Platform Administrator, and such breach is not cured by the Company within thirty (30) days from the date that the Company receives the Loan Platform Administrator's notice of breach, the Loan Platform Administrator may terminate its obligations under this Article IV.

(f) Upon one hundred eighty (180) calendar days' notice to the Company, the Loan Platform Administrator may terminate its obligations under this Article IV without cause and at its sole option; provided, however, that no such termination by the Loan Platform Administrator shall be effective unless a successor service provider acceptable to the Company has accepted appointment on terms acceptable to the Company.

(g) This Article IV shall terminate automatically and immediately, without the need for a notice from the Loan Platform Administrator, (i) upon the entry by a court having jurisdiction over the Company of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudicating the Company as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of or for the Company under any applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order not stayed or dismissed and in effect for a period of more than 60 consecutive days, or (ii) the commencement by the Company of a voluntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Company to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under any applicable law, or the consent by the Company to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of or for the Company or of any substantial part of the Company's property, or the making by the Company of an assignment for the benefit of creditors, or the admission by the Company in writing of the Company's inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action.

4.13 Transfer upon Termination.

(a) The Loan Platform Administrator agrees in connection with any termination of its obligations under this Article IV to transfer the platform administration services to the Company or a successor service provider designated by the Company as soon as reasonably practicable. Until such time of transfer, the services and obligations of the Loan Platform Administrator and the Loan Platform Administrator's obligations to provide termination assistance shall continue in full force and effect, provided that Company shall use good faith, commercially reasonable efforts to cause the transfer of services and obligations as promptly as possible, and shall pay all fees, compensation or other amounts due under this Article IV, and otherwise perform all of its obligations under this Article IV, during such period. Upon termination of the Loan Platform Administrator's services and obligations under this Article IV, the Loan Platform Administrator shall prepare, execute and deliver to the successor entity designated by the Company any and all Borrower Loan Documents and other instruments in its possession with respect to the Borrower Loans, place in such successor's possession all of the documents, information and records relating to the Company that are in its possession, and, in a timely manner, do or cause to be done all other acts or things necessary or appropriate to effect the purposes of such notice of termination, (i) at the Loan Platform Administrator's sole cost and expense if the termination is pursuant to Sections 4.12(b), (d) or (f), or (ii) at the Company's sole cost and expense if the termination is for any other reason. Upon any transfer of services upon the termination of the Loan Platform Administrator's obligations under this Article IV, the Company and the Loan Platform Administrator shall cooperatively send all transfer of services notices from the transferor service provider required by the Applicable Requirements to the Borrowers entitled to said notice. Notwithstanding anything in this Agreement to the contrary, no termination fees shall be payable by any party upon any termination of this Agreement.

(b) In connection with any termination or transfer, on the services transfer date, the Company shall reimburse the terminated or terminating Loan Platform Administrator for all related expenses subject to recovery or reimbursement hereunder, as well as any related unpaid fees, net of any amounts owed to the Company by the Loan Platform Administrator pursuant to this Article IV.

(c) The indemnification of the Loan Platform Administrator set forth in this Article IV and the representations and warranties of the parties set forth in this Agreement, and any obligations of the parties in this Agreement that by their terms survive termination, shall survive the termination or assignment of this Article IV.

ARTICLE V

AGREEMENTS OF THE LOAN AND NOTE SERVICER

5.1 General Agreements of the Loan and Note Servicer.

(a) Appointment of the Loan and Note Servicer. The Company hereby appoints PMI as the initial Loan and Note Servicer, and PMI hereby accepts such appointment, to service the Borrower Loans and Securities on the Company's behalf and otherwise provide services to the Company in accordance with the terms of this Agreement.

(b) Authority of the Loan and Note Servicer. The Loan and Note Servicer shall have full power and authority, acting alone or through agents (but subject to Section 10.2), to do or cause to be done any and all things in connection with such servicing that the Loan and Note Servicer may deem necessary or desirable, subject to and consistent with the terms of this Agreement and the Servicing Standard, and any and all things that may or must otherwise be authorized by the Company.

(c) Servicing Standard. The Loan and Note Servicer shall use commercially reasonable efforts to service and collect the Borrower Loans and Securities in accordance with industry standards customary for loans and notes of the same general type and character as the Borrower Loans and Securities, in each case (i) as long as PMI is the Loan and Note Servicer, in accordance with the provisions of the Company's Limited Liability Company Agreement (in particular the sections governing the limitations on the Company's activities), (ii) as long as PMI is the Loan and Note Servicer, in accordance with the provisions of the Unanimous Written Consent of the Board of Directors of Prosper Marketplace, Inc. dated October 23, 2012, (iii) in accordance with the Applicable Requirements, and (iv) without regard to the following:

(A) any relationship that the Loan and Note Servicer or any Affiliate of the Loan and Note Servicer may have with the related Borrower or Lender-Member; or

(B) the Loan and Note Servicer's right to receive compensation for its services hereunder.

The standard set forth in the immediately preceding sentence shall be referred to herein as the "Servicing Standard."

5.2 General Services of the Loan and Note Servicer.

The Company and the Loan and Note Servicer agree that the duties of the Loan and Note Servicer under this Agreement shall include the following:

(a) servicing the Borrower Loans and Securities, including the specific duties set forth below;

(b) giving on the Company's behalf such notices and communications as the Company may from time to time be required to give under this Agreement and the other Program Documents (including, without limitation, the Borrower Loan Documents), or that the Loan and Note Servicer, in accordance with the Applicable Requirements, deems it appropriate for the Company to give;

(c) receiving notices on the Company's behalf to the extent that any Program Document (including, without limitation, the Borrower Loan Documents), designates the Loan and Note Servicer as the person to whom notices to the Company thereunder are to be directed;

(d) to the extent that a Responsible Officer of the Loan and Note Servicer has actual knowledge of any failure of a party to a Program Document (including, without limitation, the Borrower Loan Documents), to perform any of its obligations to the Company, notifying the Company, as soon as practicable, of such failure;

(e) from time to time taking at the Company's expense such actions as the Company may reasonably request, or as the Loan and Note Servicer deems appropriate under the Servicing Standard, to enforce the Company's rights under any Program Document (including, without limitation, the Borrower Loan Documents) or document related thereto;

(f) arranging for the execution by the Company of any documents and instruments necessary or incidental to the Program Documents (including, without limitation, the Borrower Loan Documents), and arranging for the execution of amendments to and waivers of the Program Documents (including, without limitation, the Borrower Loan Documents), deliverable by the Company thereunder or in connection therewith; provided that the Loan and Note Servicer shall not execute on behalf of the Company any amendment to this Agreement or waiver hereunder;

(g) at the direction of the Company, from time to time designating employees and agents of the Loan and Note Servicer to as act as attorneys-in-fact for the Company; and

(h) otherwise assisting the Company to the extent provided in this Agreement to enable the Company to perform its obligations and duties under and in connection with, and to comply with the terms of, each of the Program Documents (including, without limitation, the Borrower Loan Documents).

5.3 Securities-Related Services by the Loan and Note Servicer.

The Loan and Note Servicer's duties on behalf of the Company in connection with the Company's payment of its Securities shall include the following:

(a) interact with the Trustee and the holders of Securities on behalf of the Company, including, without limitation, providing notices, reports, instructions, updates regarding the collateral and any other documentation required or requested by the Trustee and the holders of Securities pursuant to and in accordance with the Indenture;

(b) arrange for and provide to the Trustee and the holders of the Securities, pursuant to and in accordance with the Indenture, any annual certifications, confirmations, opinions, tests or other documents with respect to the compliance by the Company and the collateral pledged by the Company thereunder with the terms and provisions of the Indenture;

(c) arrange and supervise any audits by the Trustee, the holders of Securities or their authorized representatives to certify compliance by the Company and the collateral pledged thereunder with the terms and conditions of the Indenture;

(d) create, draft and otherwise generate reports and notices regarding maturities of Borrower Loans, delinquencies of Member-Borrowers and collection efforts and related expenses with respect to such delinquent member-Borrowers;

(e) retain, instruct and supervise collection agencies to effect collections on delinquent Member-Borrowers;

(f) deduct fees, expense and other items permitted by the Indenture from any payments or collections obtained from Member-Borrowers;

(g) maintain an electronic register of all series of Securities executed and authenticated under the Indenture and any transfer of Securities effected pursuant to the Indenture; and

(h) holding, maintaining and preserving books and records with respect to the Company's payment of the Securities.

5.4 Servicing of Borrower Loans and Securities.

Until the principal and interest of each Borrower Loan and Security is paid in full, the Loan and Note Servicer shall–

(a) require all Borrowers to make all Borrower Loan Payments into the Deposit Account in accordance with the applicable Borrower Loan Documents.

(b) apply all Borrower Loan Payments collected from the Borrowers in accordance with the Indenture, and maintain permanent account records capable of producing, in chronological order, the date and amount of each payment made or due on any Borrower Loan and Security and each other transaction affecting the amounts due from or to the Borrowers and indicating the latest outstanding balance of each Borrower Loan and Security.

(c) post on the Prosper Website (or cause the Loan Platform Administrator to post), for access by the applicable Lender-Member, information regarding the delinquency status of any Borrower Loan or Security that is 30, 60 and 90 days past due or that has been charged off or written off.

(d) cause (or cause the Loan Platform Administrator to cause) the Prosper System to deny any new Borrower Loans to any Borrower that has previously had any of its Borrower Loans or Securities charged off or written off;

(e) make available to each Member through the Prosper Website (or cause the Loan Platform Administrator to make available in the Prosper Website), specified information concerning his or her Prosper Account as contemplated by the Prosper System.

(f) maintain safe custody of all Borrower Loan Documents and maintain in connection therewith, and in connection with all other books and records created or held by the Loan and Note Servicer in accordance with this Agreement, such back-up computer systems and files as shall conform to industry standards and as the Loan and Note Servicer shall otherwise deem prudent.

(g) without limitation to Section 5.4(f), the Loan and Note Servicer acknowledges that the Company has pursuant to Section 6.12 of the Indenture granted to the Trustee a security interest over the Borrower Loan Documentation and the Company's rights thereunder for the benefit of the Holders of the Securities. Accordingly, the Loan and Note Servicer hereby agrees, for the benefit of both the Company and the Trustee, that the Loan and Note Servicer will (i) hold the Borrower Loan Documentation as custodian for the Trustee, (ii) clearly indicate in its records that such documentation is subject to a lien under the Indenture, and (iii) except in accordance with the provisions of the related Security, not assign any such documentation or the Company's rights thereunder to any Person other than the Trustee without the Trustee's consent and participation.

(h) be responsible for monitoring and reconciling the balances in the Members' Prosper Accounts in accordance with the Applicable Requirements. The Loan and Note Servicer shall attempt to promptly resolve any discrepancies; and, unless the discrepancy has resulted from the mistake or negligence of the Account Bank, the Trustee or other Person that is not an Affiliate of the Loan and Note Servicer, or has resulted from causes not within the Loan and Note Servicer's control, shall be responsible for all expenses and consequences for failure to reconcile and resolve such discrepancies. The Loan and Note Servicer shall prevent Lender-Members from withdrawing amounts from their Prosper Accounts to the extent any such withdrawal would reduce the balance below the aggregate amount of the Lender-Member's pending bids on Borrower Loan listings.

(i) upon payment of a Borrower Loan or Security in full and receipt from the Company of any documents or information necessary to effect such release, prepare and file any necessary release or satisfaction documents and continue servicing such Borrower Loan or Security pending final settlement.

5.5 Collection of Borrower Loan Payments.

(a) The Loan and Note Servicer shall (i) make and use commercially reasonable efforts to service and collect all Borrower Loans, in good faith, accurately and in accordance with the Servicing Standard and (ii) use commercially reasonable efforts to maintain backup servicing arrangements providing for the Borrower Loans to be serviced and collected in good faith, accurately and in accordance with industry standards customary for servicing loans such as the Borrower Loans, in each case of the foregoing clauses (i) and (ii), all in accordance with the Company's obligations set forth in Sections 3.06(a) and (b) of the Indenture.

(b) The Loan and Note Servicer may, subject to the Servicing Standard, waive, modify or vary any non-material term of any Borrower Loan or consent to the postponement of strict compliance with any such term or in any manner grant a non-material indulgence to any Borrower. Notwithstanding the foregoing, in the event that any Borrower Loan is in default, or in the judgment of the Loan and Note Servicer, such default is reasonably foreseeable, or the Loan and Note Servicer otherwise determines that such action would be consistent with the Servicing Standard, and provided that the Loan and Note Servicer has reasonably and prudently determined that such action will not be materially adverse to the interests of the relevant Lender-Members, the Loan and Note Servicer may also waive, modify or vary any term of any Borrower Loan (including material modifications that would change the Loan Rate, defer or forgive the payment of principal or interest, change the payment dates or change the place and manner of making payments on such Borrower Loan), accept payment from the related Borrower of an amount less than the principal balance in final satisfaction of such Borrower Loan or consent to the postponement of strict compliance with any term or otherwise grant any indulgence to any Borrower. If the Loan and Note Servicer approves modifications to the terms of any Borrower Loan it shall promptly on behalf of the Company notify the corresponding Lender-Members by email of the material terms of such modifications and the effect such modifications will have on their Securities, including any changes to the payments they will receive under the Securities. The Loan and Note Servicer shall not make material modifications to any Borrower Loan that would conflict with the terms of this Agreement unless authorized in writing by the Company to do so.

5.6 Delinquency Control.

(a) Subject to the Servicing Standard, the Loan and Note Servicer shall be responsible for protecting the Company's interest in the Borrower Loans by dealing effectively with Borrowers who are delinquent or in default. The Loan and Note Servicer's Delinquent Loan servicing program shall include an adequate accounting system that will immediately and positively indicate the existence of Delinquent Loans, a procedure that provides for sending delinquent notices and assessing late charges, and a procedure for the individual analysis of distressed or chronically delinquent Borrower Loans.

(b) The Loan and Note Servicer shall provide the Company with a month-end collection and delinquency report identifying any Delinquent Loans, and, from time to time as the need may arise, provide the Company with Borrower Loan service reports relating to any items of information that the Loan and Note Servicer is otherwise required to provide hereunder, or detailing any matters the Loan and Note Servicer believes should be brought to the special attention of the Company.

(c) Without limitation to Section 5.5 or Section 5.6(a), but subject to the Servicing Standard, the Loan and Note Servicer shall have sole discretion to determine (i) the timing and content of communications sent to delinquent Borrowers, and (ii) when and whether to (A) refer a Delinquent Loan for collection and engage or retain a collection agency on behalf of the Company to collect on such Delinquent Loan (any such engagement or retainer to be at the Company's expense), (B) initiate legal action to collect a Delinquent Loan (any such legal action to be at the Company's expense), (C) sell a Delinquent Loan to a third party, (D) accelerate the maturity of a Delinquent Loan that is at least 30 days past due, and/or (E) write off a Delinquent Loan or any portion thereof. The Loan and Note Servicer shall be authorized to select and engage on the Company's behalf any collection agency to which any Delinquent Loan is referred and to determine the amount of its compensation (which shall not, however, exceed 40% of the amount of collections obtained, in addition to any legal fees incurred in the collection effort, except as the Company may otherwise approve in writing). The Company acknowledges and agrees that the Loan and Note Servicer shall be deemed to have undertaken commercially reasonable servicing and collection efforts if it refers a Delinquent Loan to a collection agency with five Business Days after such Borrower Loan first became thirty days past due. The Company further acknowledges and agrees that the Loan and Note Servicer will write off Borrower Loans that are 120 days past due (and may also write off Delinquent Loans that are less than 120 days (but at least 31 days) past due if the Loan and Note Servicer deems such action appropriate).

5.7 Loan and Note Servicer Reports; Additional Duties.

The Loan and Note Servicer shall–

(a) furnish to the Company and the Trustee such reports concerning the Borrower Loans, the Securities and/or the Loan and Note Servicer's performance of its duties hereunder as may be agreed between the parties or required by the Indenture. Each such report shall be in such format and delivered on such dates as may be agreed between the parties.

(b) on a monthly basis: (i) investigate any claims of breaches under the Lender Registration Agreement that would result in the Company having to repurchase the Securities or indemnify the Lender-Members, (ii) determine whether such claims are true, (iii) determine whether the Company has an obligation to repurchase the Securities or indemnify the Lender-Members, (iv) determine, in conjunction with the Company, whether to repurchase the Securities or indemnify the Lender-Members and (v) effect such repurchase or indemnification.

(c) represent the Company at, or provide to the Company all such assistance as the Company may reasonably request in connection with, any arbitration proceedings initiated by the Company or by Members pursuant to the Borrower Registration Agreements, the Securities or the Lender Registration Agreements and, when deemed appropriate by the Loan and Note Servicer in light of the Servicing Standard, initiate arbitration proceedings under any such agreement or Loan Note on the Company's behalf.

(d) perform such other customary duties and execute such other customary documents in connection with its duties under this Agreement as the Company from time to time reasonably may require.

5.8 Loan and Note Servicer Books and Records.

(a) Except when the Contract Administrator and the Loan and Note Servicer are the same Person, the Loan and Note Servicer shall provide to the Company an audited financial statement not later than ninety (90) days after the close of each of the Loan and Note Servicer's fiscal years. The Loan and Note Servicer shall make its servicing personnel available during regular business hours to respond to reasonable inquiries from the Company and upon the Company's request shall give the Company's authorized representative(s) opportunity upon notice at any time during the Loan and Note Servicer's normal business hours to examine the Loan and Note Servicer's books and records relating to its services hereunder. The Loan and Note Servicer will keep records in accordance with industry standards pertaining to each Borrower Loan and Security, and such records shall be the property of the Company and upon termination of this Agreement shall be delivered to the Company at the Company's expense.

(b) Without limiting the generality of Section 5.8(a), the Loan and Note Servicer shall permit any officer, employee or designated representative of the Company, as well as any governmental regulator having supervisory authority over the Company, at any reasonable time during regular business hours and upon reasonable advance notice by the Company, to conduct an audit and examination on the Loan and Note Servicer's premises of the Loan and Note Servicer's books and records, operating procedures, collection guidelines and Borrower Loan Documents including, but not limited to, the Loan and Note Servicer's compliance with the terms, conditions, requirements, procedures, covenants, representations and warranties of this Agreement, with respect to the Borrower Loans and the Securities; provided, however, that any such examination or audit shall be conducted upon prior notice and during normal business hours and shall be conducted so as not to materially disrupt the Loan and Note Servicer's business activities. The Loan and Note Servicer shall make its officers, employees and/or designated representatives available to the Company for all such audits and examinations and shall cooperate with the Company in all such audits and examinations. All such access, audits or examinations shall be conducted without charge to the Company. For the purposes of this Agreement with respect to any such examination or audit, the regular business hours of the Loan and Note Servicer are Monday through Friday, 9:00 am to 5:00 pm Pacific Standard Time; provided, however, that any audit and examination of the Loan and Note Servicer's books and records, operating procedures, collection guidelines and practices, the Borrower Loan Documents or the Securities, and the Loan and Note Servicer's compliance with the terms, conditions, requirements, procedures, covenants, representations and warranties of this Agreement, by the Company, any regulatory agency having supervisory authority over the Company or the Loan and Note Servicer or by any third party engaged by the Company shall in no way diminish, reduce, eliminate or nullify the Loan and Note Servicer's liabilities or indemnification obligations or other obligations, responsibilities or duties under this Agreement.

5.9 Repurchase Obligation.

The Loan and Note Servicer acknowledges that pursuant to Sections 8 and 9 of the Lender Registration Agreements the Company is required under certain circumstances to repurchase Securities from Lenders, to indemnify the Lenders against losses resulting from the breach by the Company of certain of its representations in the Lender Registration Agreements, or to cure such breaches of representations (any such circumstance, a "Repurchase Event"). The Loan and Note Servicer further acknowledges the Company is relying upon the Loan and Note Servicer, through the services it provides under this Agreement, to prevent the occurrence of Repurchase Events. Accordingly, the Loan and Note Servicer agrees that if any Repurchase Event occurs it will at its election either (i) promptly cure such Repurchase Event, or (ii) if (A) the Company cannot satisfy its obligations to the applicable Lenders by curing such Repurchase Event, (B) such Repurchase Event is not susceptible of cure (as determined by the Loan and Note Servicer in its sole discretion), or (C) the Loan and Note Servicer elects in its sole discretion not to attempt any such cure, provide the Company with all funds it requires to repurchase the applicable Securities from the applicable Lenders at the time, and for the purchase price, specified in the applicable Lender Registration Agreement or to pay any indemnities due to such Lenders ("Repurchase Funds"). The Loan and Note Servicer will deposit in the FBO Account any Repurchase Funds due from it hereunder and promptly apply the same on the Company's behalf to repurchase the applicable Securities or to pay the required indemnities to the applicable Holders (as applicable). The Company will promptly transfer to the Loan and Note Servicer any Security repurchased by the Company with Repurchase Funds but otherwise has no obligation to repay any Repurchase Funds that the Loan and Note Servicer may provide. Each of the Company and the Loan and Note Servicer shall promptly notify the other party of any Repurchase Event that comes to its attention; provided that (i) the Company shall not be required to provide notice to the Loan and Note Servicer of any Repurchase Event that it reasonably believes is already known to the Loan and Note Servicer, and (ii) any failure by the Company to provide such notice shall not limit or otherwise affect the Loan and Note Servicer's repurchase obligations under this Section 5.9. The Company acknowledges that (i) the Loan and Note Servicer has no obligation to purchase Securities, and has no obligation to provide the Company with Repurchase Funds, except as stated in this Section 5.9, and that (ii) the Loan and Note Servicer does not guarantee the payment of any Security in whole or in part.

5.10 Loan and Note Servicer Advances.

(a) The Loan and Note Servicer shall not be obligated to make any advances at any time for principal or interest payments on any Borrower Loan. For as long as PMI is the Loan and Note Servicer, the Loan and Note Servicer may (but is not obligated to) advance from its own funds amounts due from the Company to third party service providers (including, without limitation, collection agencies) in connection with the servicing and/or collection of Borrower Loans; provided that (i) the Loan and Note Servicer reasonably expects the Company to repay such advances in the foreseeable future from the Company's cash flow from operations and (ii) the Company is not insolvent at the time the Loan and Note Servicer makes any such advance. Subject to Section 5.11, the Company shall reimburse the Loan and Note Servicer upon request for any amounts so paid by the Loan and Note Servicer but no such reimbursement shall be paid from any funds that, under the Indenture, are allocated to the payment of Securities. This Section 5.10 shall not be construed to limit the Loan and Note Servicer's obligations under Section 5.9.

(b) Anything herein contained in this Agreement to the contrary notwithstanding, the representations, warranties and covenants of the Loan and Note Servicer in this Agreement shall not be construed as a warranty or guarantee by the Loan and Note Servicer as to future payments by any Borrower.

5.11 Fees and Reimbursement of the Loan and Note Servicer.

(a) The Company shall pay to the Loan and Note Servicer from time to time the fee described in Exhibit C hereto (the "Loan and Note Servicing Fee"). The Company hereby instructs the Corporate Administrator to deduct and withdraw from the Fee Account and pay to the Loan and Note Servicer any Loan and Note Servicing Fees due to the Loan and Note Servicer.

(b) In the event the Loan and Note Servicer is entitled under this Agreement to reimbursement for any expenses incurred by it under this Agreement, it shall send the Company a written request for such reimbursement reasonably documented by the Loan and Note Servicer in accordance with the Servicing Standard. The Company may request additional information if the same is reasonably required by the Company to determine the accuracy and validity of the reimbursement request.

(c) If the Company in good faith disputes the Loan and Note Servicer's right to reimbursement for any charge or the amount of any requested reimbursement, it shall notify the Loan and Note Servicer within ten (10) Business Days after receipt of the request for reimbursement. Initial notification should be verbal, followed by written notification by such deadline, describing the basis of the dispute and the disputed amount if such dispute cannot be resolved immediately. The Company shall pay the amounts due under this Agreement less the amount disputed, and the parties shall diligently and in good faith proceed to resolve such disputed amount.

(d) The Company hereby instructs the Corporate Administrator to pay the Loan and Note Servicer from the Fee Account, in the same manner as the Loan and Note Servicing Fee (but only from funds not allocated to the payment of Securities), any reimbursement amount not disputed by the Company within ten (10) Business Days of the date the Loan and Note Servicer submits the related reimbursement request to the Company and any disputed amount that is resolved in the Loan and Note Servicer's favor. If the Company determines after such tenth Business Day that it has good cause to dispute any reimbursement amount submitted by the Loan and Note Servicer, it shall promptly so notify the Loan and Note Servicer and the parties shall diligently and in good faith proceed to resolve the disputed amount. Any such disputed amount that has previously been paid by the Company and is resolved in the Company's favor shall be promptly refunded to the Company by the Loan and Note Servicer.

5.12 Loan and Note Servicer's Licenses.

The Loan and Note Servicer shall maintain at all times during the term of this Agreement all material licenses and approvals required by applicable regulatory agencies and governmental authorities, including all material licenses and approvals necessary in each state where Members are located if the laws of such state require licensing or qualification in order to conduct the business of the Loan and Note Servicer with respect to the Borrower Loans, the Securities or the Members, including as contemplated in this Agreement, and in any event the Loan and Note Servicer shall remain in compliance with the laws and regulations of any such state to the extent necessary to ensure the enforceability of the Borrower Loans.

5.13 Loan and Note Servicer's Power of Attorney.

The Company shall furnish the Loan and Note Servicer with any reasonably required documents related to the servicing of the Borrower Loans as the Loan and Note Servicer shall reasonably request to enable the Loan and Note Servicer to carry out its servicing duties hereunder. The Company shall execute any documentation furnished to it by the Loan and Note Servicer for recordation by the Loan and Note Servicer in the appropriate jurisdictions, as shall be necessary to effectuate the foregoing.

5.14 Indemnification by the Loan and Note Servicer.

(a) The Loan and Note Servicer shall not be liable to the Company or its successors, assigns, officers, directors, employees or agents, for any actions or omissions to act in connection with the servicing of the Borrower Loans or Securities pursuant to this Agreement or for errors in judgment, except as expressly provided in Section 5.9 and in this Section 5.14.

(b) The Loan and Note Servicer agrees to indemnify, defend and hold the Company and its successors, assigns, officers, directors, employees and agents harmless from and against any and all claims, Loan and Note Servicer Damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel), joint or several (collectively, "Loan and Note Servicer Damages"), directly or indirectly resulting from or arising out of, except as otherwise provided in this Agreement, the acts or omissions of any permitted sub-loan and note servicer or loan and note servicer engaged by the Loan and Note Servicer to service the Borrower Loans or Securities as provided in Section 10.2 (including, without limitation, its failure to observe its covenants contained in Section 5.5(a) of this Agreement); provided, however, that the Loan and Note Servicer shall not be responsible for any Loan and Note Servicer Damages resulting from or arising out of (i) the failure of the Company to perform its duties in accordance with the terms of this Agreement (unless such failure resulted from the actions or omissions of the Loan and Note Servicer), (ii) the material breach of any of the Company's representations, warranties, covenants or agreements contained in this Agreement, (iii) servicing of any Borrower Loans or Securities after the termination of this Article V, (iv) the absence or unavailability of any books, records, data, files and other Borrower Loan Documents or other documents evidencing or relating to a Borrower Loan, in any form, including but not limited to any documents necessary to service the Borrower Loans in accordance with Applicable Requirements, other than to the extent resulting from the actions or omissions of the Loan and Note Servicer, (v) compliance with any instructions of the Company to the extent that compliance with such instructions does not comply with Applicable Requirements.

(c) The Loan and Note Servicer and any director, officer, employee or agent of the Loan and Note Servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder, except to the extent the Loan and Note Servicer knows that such document is false, misleading, inaccurate or incomplete.

(d) Except as otherwise expressly provided herein, Loan and Note Servicer shall not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its duties to service the Borrower Loans and Securities in accordance with this Agreement and which in its opinion may involve it in any expense or liability; provided, however, that Loan and Note Servicer may, with the consent of the Company, which consent may be exercised by the Company in its sole and exclusive discretion, undertake any such action that it may deem necessary or desirable in respect of this Agreement and the rights and duties of the parties hereto. In such event, or if Loan and Note Servicer deems it necessary to defend any such action, Loan and Note Servicer shall be entitled to reimbursement from the Company for its reasonable legal expenses and costs of such action.

(e) Promptly upon receipt of notice of any claim, demand or assessment or the commencement of any suit, demand, action or proceeding in respect of which indemnity may be sought pursuant to this Section 5.14, the Company will use its best efforts to notify the Loan and Note Servicer in writing thereof in sufficient time for Loan and Note Servicer to respond to such claim or answer or otherwise plead in such action. Except to the extent that the Loan and Note Servicer is prejudiced thereby, the omission of the Company to promptly notify Loan and Note Servicer of any such claim or action shall not relieve Loan and Note Servicer from any liability which it may have to the Company in connection therewith. If any claim, demand or assessment shall be asserted or suit, action or proceeding commenced against the Company, the Loan and Note Servicer will be entitled to participate therein, and to the extent it may wish to assume the defense, conduct or settlement thereof, with counsel reasonably satisfactory to the Company. After notice from the Loan and Note Servicer to the Company of its election to assume the defense, conduct, or settlement thereof, Loan and Note Servicer will not be liable to the Company for any legal or other expenses consequently incurred by the Company in connection with the defense, conduct or settlement thereof. The Company will cooperate with the Loan and Note Servicer in connection with any such claim and make its personnel, books and records relevant to the claim available to Loan and Note Servicer. In the event the Loan and Note Servicer does not wish to assume the defense, conduct or settlement of any claim, demand or assessment, the Company will not settle such claim, demand or assessment without the prior written consent of Loan and Note Servicer, which consent shall not be unreasonably withheld.

5.15 Termination of the Loan and Note Servicer.

(a) This Article V shall be effective from the Closing Date and shall extend until the Company or the Loan and Note Servicer terminates it pursuant to and in accordance with this Section 5.15.

(b) In the event that the Loan and Note Servicer breaches any of its obligations under this Agreement in any material respect, the Company shall give prompt written notice to the Loan and Note Servicer. If the Loan and Note Servicer breaches any of its obligations under this Agreement in any material respect and does not cure such breach within thirty (30) days from the date that the Loan and Note Servicer receives the Company's notice of breach, the Company may terminate this Article V.

(c) Upon one hundred eighty (180) calendar days' notice to the Loan and Note Servicer, the Company may terminate this Article V without cause and at its sole option; provided, however, that the Company may not terminate this Article V pursuant to this Section 5.15(c) prior to the third anniversary of the Closing Date of this Agreement.

(d) This Article V shall terminate automatically and immediately, without the need for a notice from the Company, (i) upon the entry by a court having jurisdiction over the Loan and Note Servicer of (A) a decree or order for relief in respect of the Loan and Note Servicer in an involuntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudicating the Loan and Note Servicer as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of or for the Loan and Note Servicer under any applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Loan and Note Servicer or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order not stayed or dismissed and in effect for a period of more than 60 consecutive days, or (ii) the commencement by the Loan and Note Servicer of a voluntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Loan and Note Servicer to the entry of a decree or order for relief in respect of the Loan and Note Servicer in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Loan and Note Servicer, or the filing by the Loan and Note Servicer of a petition or answer or consent seeking reorganization or relief under any applicable law, or the consent by the Loan and Note Servicer to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of or for the Loan and Note Servicer or of any substantial part of the Loan and Note Servicer's property, or the making by the Loan and Note Servicer of an assignment for the benefit of creditors, or the admission by the Loan and Note Servicer in writing of the Loan and Note Servicer's inability to pay its debts generally as they become due, or the taking of corporate action by the Loan and Note Servicer in furtherance of any such action.

(e) In the event that the Company materially breaches any of its obligations under this Agreement with respect to the Loan and Note Servicer, the Loan and Note Servicer shall give prompt written notice to the Company. If the Company commits any material breach of its obligations under this Agreement with respect to the Loan and Note Servicer, and such breach is not cured by the Company within thirty (30) days from the date that the Company receives the Loan and Note Servicer's notice of breach, the Loan and Note Servicer may terminate its obligations under this Article V.

(f) Upon one hundred eighty (180) calendar days' notice to the Company, the Loan and Note Servicer may terminate its obligations under this Article V without cause and at its sole option; provided, however, that no such termination by the Loan and Note Servicer shall be effective unless a successor service provider acceptable to the Company has accepted appointment on terms acceptable to the Company.

(g) This Article V shall terminate automatically and immediately, without the need for a notice from the Loan and Note Servicer, (i) upon the entry by a court having jurisdiction over the Company of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudicating the Company as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of or for the Company under any applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order not stayed or dismissed and in effect for a period of more than 60 consecutive days, or (ii) the commencement by the Company of a voluntary case or proceeding under any applicable delinquency, bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Company to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under any applicable law, or the consent by the Company to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of or for the Company or of any substantial part of the Company's property, or the making by the Company of an assignment for the benefit of creditors, or the admission by the Company in writing of the Company's inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action.

5.16 Transfer upon Termination.

(a) The Loan and Note Servicer agrees in connection with any termination of its obligations under this Article V to transfer the platform administration services to the Company or a successor service provider designated by the Company as soon as reasonably practicable. Until such time of transfer, the services and obligations of the Loan and Note Servicer and the Loan and Note Servicer's obligations to provide termination assistance shall continue in full force and effect, provided that Company shall use good faith, commercially reasonable efforts to cause the transfer of services and obligations as promptly as possible, and shall pay all fees, compensation or other amounts due under this Article V, and otherwise perform all of its obligations under this Article V, during such period. Upon termination of the Loan and Note Servicer's services and obligations under this Article V, the Loan and Note Servicer shall prepare, execute and deliver to the successor entity designated by the Company any and all Borrower Loan Documents and other instruments in its possession with respect to the Borrower Loans, place in such successor's possession all of the documents, information and records relating to the Company that are in its possession, and, in a timely manner, do or cause to be done all other acts or things necessary or appropriate to effect the purposes of such notice of termination, (i) at the Loan and Note Servicer's sole cost and expense if the termination is pursuant to Sections 5.15(b), (d) or (f), or (ii) at the Company's sole cost and expense if the termination is for any other reason. Upon any transfer of services upon the termination of the Loan and Note Servicer's obligations under this Article V, the Company and the Loan and Note Servicer shall cooperatively send all transfer of services notices from the transferor service provider required by the Applicable Requirements to the Borrowers entitled to said notice. Notwithstanding anything in this Agreement to the contrary, no termination fees shall be payable by any party upon any termination of this Agreement.

(b) In connection with any termination or transfer, on the services transfer date, the Company shall reimburse the terminated or terminating Loan and Note Servicer for all related expenses subject to recovery or reimbursement hereunder, as well as any related unpaid fees, net of any amounts owed to the Company by the Loan and Note Servicer pursuant to this Article V.

(c) The indemnification and repurchase obligations of the Loan and Note Servicer set forth in this Article V and the representations and warranties of the parties set forth in this Agreement, and any obligations of the parties in this Agreement that by their terms survive termination, shall survive the termination or assignment of this Article V.

ARTICLE VI

AGREEMENTS OF THE COMPANY

6.1 Documentation.

The Company shall provide the Loan and Note Servicer with all Borrower Loan Documents or records in its possession or that are executed by Borrowers through the Prosper System. The Loan and Note Servicer shall maintain safe custody of each such Borrower Loan Document on behalf of the Trustee in accordance with Sections 5.4(f) and 5.4(g).

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND LICENSOR

As of the Execution Date, the Closing Date and as of each Loan Funding Date, PFL, in its capacity as the Company and the Licensor warrants and represents to the Licensee and each Service Provider as follows:

7.1 Authority.

PFL (i) is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and (ii) subject to compliance by the Corporate Administrator with its obligations under Sections 3.2(j), 3.2(l) and subject to compliance by the Loan Platform Administrator with its obligations under Section 4.3(e), (A) has all material licenses or charters and approvals necessary to carry on its business as now being conducted, including all licenses, charters or approvals required by applicable regulatory agencies and governmental authorities, and (B) is licensed, qualified and in good standing in each state where Members are located if the laws of such state require licensing or qualification in order to conduct business of the type conducted by PFL as contemplated in this Agreement or PFL is otherwise exempt under applicable law from such licensing and qualification.

7.2 Authorization, Enforceability and Execution.

PFL has the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform its obligations hereunder. PFL has duly authorized, executed and delivered this Agreement. This Agreement constitutes the legal, valid and binding obligation of PFL, enforceable against it in accordance with its terms, except as such enforcement may be limited by (i) any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, or (ii) the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law). The signatory executing this Agreement on behalf of PFL is duly authorized to execute and deliver such document.

7.3 No Conflict.

Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, nor compliance with its terms and conditions, will (i) violate, conflict with, result in the breach of, or constitute a default under, be prohibited by, or require any additional approval under any of the terms, conditions or provisions of PFL's limited liability company agreement or other formative documents, if any, or of any indenture or other agreement to which PFL is now a party or by which it is bound, or of any order, judgment or decree of any court or governmental authority applicable to PFL, (ii) result in the violation of any law, rule, regulation, order, judgment or decree to which PFL or its property is subject, or impair the ability of any Service Provider to provide its services hereunder, including servicing the Borrower Loans or Securities or (iii) result in the creation or imposition of any lien, charge or encumbrance of any material nature upon any of the properties, Borrower Loans or Securities of PFL.

7.4 No Consent.

No consent, approval, authorization or order of any court or governmental agency, instrumentality or body is required for the execution, delivery and performance by or compliance by PFL with this Agreement or if required, such approval has been obtained prior to the Execution Date.

7.5 No Litigation.

Except as otherwise disclosed by PFL to the Licensor and each Service Provider in writing, there is no litigation, proceeding, claim, demand or governmental investigation pending or, to the knowledge of PFL, threatened, nor is there any order, injunction or decree outstanding against or relating to PFL, the Borrower Loans or the Securities that could result in any material liability to the Licensor or any Service Provider or materially impair the ability of PFL, the Licensor or any Service Provider to perform its obligations hereunder. PFL is not in default in any material respect with respect to any order of any court, governmental authority or arbitration board or tribunal to which PFL is a party or is subject, and PFL is not in violation of any laws, ordinances, governmental rules or regulations to which it is subject, which default or violation might materially and adversely affect any of the Borrower Loans or Securities or result in material cost or liability to the Licensor or any Service Provider.

7.6 The Borrower Loans and Securities.

The Company hereby makes the following representations and warranties to the Loan and Note Servicer in relation to each Borrower Loan and Security to the best of the Company's knowledge as of the related Loan Funding Date only:

(a) the Company has, on or before the Loan Funding Date, delivered or caused to be delivered to the Loan and Note Servicer, all of the books, records, data, files and other Borrower Loan Documents relating to such Borrower Loan and Security, to the extent in the Company's possession;

(b) after giving effect to the Company's purchase from the Bank of each Borrower Loan, the Company is the record holder of such Borrower Loan; and

(c) upon issuance of a Security the information inputted in the electronic register with respect to the holder of such Security is correct, true and accurate.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES OF THE LICENSEE AND THE SERVICE PROVIDERS

8.1 Representations and Warranties of the Licensor.

As of the Execution Date, the Closing Date and as of each Loan Funding Date, the Licensor warrants and represents to the Company and each Service Provider as follows:

(a) Authority.

The Licensor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all material licenses and approvals necessary to carry on its business as now being conducted, including all licenses and approvals required by applicable regulatory agencies and governmental authorities.

(b) Authorization, Enforceability and Execution.

The Licensor has the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement, and to perform its obligations hereunder. The Licensor has duly authorized, executed and delivered this Agreement. This Agreement constitutes the legal, valid and binding obligation of the Licensor, enforceable against it in accordance with its terms, except as such enforcement may be limited by (i) any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, or (ii) the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law). The signatory executing this Agreement on behalf of the Licensor is duly authorized to execute and deliver such document.

(c) No Conflict.

Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, nor compliance with its terms and conditions, (i) violates, conflicts with, results in the breach of, or constitutes a default under, is prohibited by, or requires any additional approval under any of the terms, conditions or provisions of the Licensor's certificate of incorporation or other formative documents or of any mortgage, indenture, deed of trust, loan or credit agreement or instrument to which the Licensor is now a party or by which it is bound, or of any order, judgment or decree of any court or governmental authority applicable to the Licensor, (ii) results in the violation of any law, rule, regulation, order, judgment or decree to which the Licensor or its property is subject, or impairs the ability of the Licensor to license the Prosper System to the Company or (iii) results in the creation or imposition of any lien, charge or encumbrance of any material nature upon any properties of the Licensor.

(d) No Consent.

No consent, approval, authorization or order of any court or governmental agency, instrumentality or body is required for the execution, delivery and performance by or compliance by the Licensor with this Agreement or if required, such consent, approval, authorization or order has been obtained prior to the Execution Date.

(e) No Litigation.

Except as otherwise disclosed by the Licensor in the Licensor's periodic reports under the Exchange Act under the heading "Legal Proceedings", there is no litigation, proceeding, claim, demand or governmental investigation pending or, to the knowledge of the Licensor, threatened, nor is there any order, injunction or decree outstanding against or relating to the Licensor, which, if decided against the Licensor, could have a material adverse effect upon the Prosper System or materially impair the ability of the Licensor to perform its obligations hereunder. The Licensor is not in default in any material respect with respect to any order of any court, governmental authority or arbitration board or tribunal to which the Licensor is a party or is subject, and the Licensor is not in violation of any laws, ordinances, governmental rules or regulations to which it is subject, which default or violation might materially and adversely affect the Prosper System or result in material cost or liability to the Company.

(f) License Warranty.

The Licensor warrants (a) that it is the sole and exclusive owner of the Prosper System with the requisite power and authority to license the Prosper System in accordance with this Agreement; and (b) that neither the Prosper System nor the Company's operation of the Prosper System nor the Licensor's performance of its obligations hereunder will infringe any patent, copyright, trademark, trade secret or other proprietary right of any third party.

8.2 Representations and Warranties of Service Providers.

As of the Execution Date, the Closing Date and as of each Loan Funding Date, each Service Provider warrants and represents, for itself, to the Company and the Licensor as follows:

(a) Authority.

Such Service Provider is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all material licenses and approvals necessary to carry on its business as now being conducted, including all licenses and approvals required by applicable regulatory agencies and governmental authorities, and is licensed, qualified and in good standing in each state where Members are located if the laws of such state require licensing or qualification in order to conduct business of the type conducted by such Service Provider as contemplated in this Agreement.

(b) Authorization, Enforceability and Execution.

Such Service Provider has the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement, and to perform its obligations hereunder. Such Service Provider has duly authorized, executed and delivered this Agreement. This Agreement constitutes the legal, valid and binding obligation of such Service Provider, enforceable against it in accordance with its terms, except as such enforcement may be limited by (i) any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, or (ii) the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law). The signatory executing this Agreement on behalf of such Service Provider is duly authorized to execute and deliver such document.

(c) No Conflict.

Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, nor compliance with its terms and conditions, (i) violates, conflicts with, results in the breach of, or constitutes a default under, is prohibited by, or requires any additional approval under any of the terms, conditions or provisions of such Service Provider's certificate of incorporation or other formative documents or of any mortgage, indenture, deed of trust, loan or credit agreement or instrument to which such Service Provider is now a party or by which it is bound, or of any order, judgment or decree of any court or governmental authority applicable to such Service Provider, (ii) results in the violation of any law, rule, regulation, order, judgment or decree to which such Service Provider or its property is subject, or impairs the ability of such Service Provider to provide the administrative, management or servicing services agreed hereunder or service the Borrower Loans or the Securities, as applicable, or (iii) results in the creation or imposition of any lien, charge or encumbrance of any material nature upon any of the Prosper System, the Borrower Loans or Securities or any properties of such Service Provider.

(d) No Consent.

No consent, approval, authorization or order of any court or governmental agency, instrumentality or body is required for the execution, delivery and performance by or compliance by such Service Provider with this Agreement or if required, such consent, approval, authorization or order has been obtained prior to the Execution Date.

(e) No Litigation.

Except as otherwise disclosed by such Service Provider in such Service Provider's periodic reports under the Exchange Act under the heading "Legal Proceedings", there is no litigation, proceeding, claim, demand or governmental investigation pending or, to the knowledge of such Service Provider, threatened, nor is there any order, injunction or decree outstanding against or relating to such Service Provider, which, if decided against such Service Provider, could have a material adverse effect upon any of the Prosper System, Borrower Loans or Securities or materially impair the ability of such Service Provider to perform its obligations hereunder. Such Service Provider is not in default in any material respect with respect to any order of any court, governmental authority or arbitration board or tribunal to which such Service Provider is a party or is subject, and such Service Provider is not in violation of any laws, ordinances, governmental rules or regulations to which it is subject, which default or violation might materially and adversely affect any of the Prosper System, Borrower Loans or Securities or result in material cost or liability to the Company.

ARTICLE IX

ANNUAL REPORTING

9.1 Service Providers' Compliance Statement.

On or before March 31 of each calendar year, commencing in 2014, each Service Provider shall deliver to the Company one or more statements of compliance addressed to the Company and signed by an authorized officer of such Service Provider, to the effect that (i) a review of such Service Provider's activities during the immediately preceding calendar year (or applicable portion thereof) and of its performance under this Agreement during such period has been made under such officer's supervision, and (ii) to the best of such officer's knowledge, based on such review, such Service Provider has fulfilled all of its obligations under this Agreement in all material respects throughout such calendar year (or applicable portion thereof) or, if there has been a failure to fulfill any such obligation in any material respect, specifically identifying each such failure known to such officer and the nature and the status thereof.

ARTICLE X

MISCELLANEOUS

10.1 Independence of Parties.

Each Service Provider shall have the status of, and act as, an independent contractor. Nothing herein contained shall be construed to create a partnership or joint venture between the Company and any of the Service Providers.

10.2 Assignment of Duties.

A Service Provider's duties and obligations under this Agreement may not be assigned by such Service Provider without the prior written consent of the Company; provided, however, that this Agreement shall be assumed by any entity into which such Service Provider may be merged or consolidated, or any entity succeeding to the business of such Service Provider. This Section does not prohibit a Service Provider from engaging service providers to assist such Service Provider in the performance of specific functions related to its obligations under this Agreement or to perform component services required for its duties hereunder, including the servicing; provided, however, no Service Provider engage the services of another service provider to perform a substantial portion of the primary day-to-day servicing obligations of such Service Provider without the prior written consent of the Company, which consent may be exercised in the Company's sole and exclusive discretion; and provided, further that the appointment of any other such service provider by a Service Provider shall be at the sole cost and expense of the Service Provider engaging the same, the provision of services thereby shall be subject to the terms and conditions of this Agreement, the Service Provider appointing the same shall be fully liable for the acts and omissions of every service provider appointed or engaged by it, and the repurchase and indemnification obligations of the appointing or engaging Service Provider shall apply with respect to the acts or omissions of said appointed or engaged service provider as if the relevant Service Provider had performed the relevant services directly. This Section does not limit or impair a Service Provider's right to terminate this Agreement in accordance with Articles III, IV or V, as applicable. of this Agreement. The Company may not assign this Agreement without the prior written consent of the Licensor and the Service Providers; provided, however, that (i) the Parties acknowledge and agree that the Company may pledge its rights under this Agreement to the Trustee pursuant to the Indenture, and (ii) this Agreement may be assigned to any entity into which the Company may be merged or consolidated, or any entity succeeding to the business of the Company.

10.3 Entire Agreement.

This Agreement contains the entire agreement among the Parties hereto and cannot be modified in any respect except by an amendment in writing signed by all Parties; provided, that any amendment, modification or waiver of PMI's obligations set forth in Section 5.5(a), PMI's indemnification obligations for breaches of Section 5.5(a), or of the terms of Section 10.19 that would adversely affect the rights of the holders of the Securities thereunder, shall also require the written consent of the holders of at least a majority in aggregate Principal Amount of Outstanding Securities under the Indenture of each series adversely affected by such proposed amendment, modification or waiver.

10.4 Invalidity.

The invalidity of any portion of this Agreement shall in no way affect the remaining portions hereof.

10.5 Effect.

Except as otherwise stated herein, this Agreement shall remain in effect until the Termination Date, unless sooner terminated pursuant to the terms hereof.

10.6 Damage Limitation.

IN NO EVENT WILL ANY PARTY BE LIABLE TO THE OTHERS FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND INCLUDING, BUT NOT LIMITED TO LOST PROFITS, LOSS OF GOODWILL OR BUSINESS INTERRUPTION, ARISING OUT OF THIS AGREEMENT.

10.7 Applicable Law; Jurisdiction; Waiver of Jury Trial.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICTS OF LAW RULES, OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(b) Each of the Parties hereto hereby irrevocably and unconditionally consents to submit to the non-exclusive jurisdiction of the courts of the State of New York and of the United States, in each case located in the County of New York for any litigation or proceeding arising out of or relating to this Agreement (and agrees not to commence any litigation or proceeding relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth in Section 10.8 of this Agreement shall be effective service of process for any litigation or proceeding brought against it in any such court. Each of the Parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation or proceeding arising out of this Agreement in the courts of the State of New York or the United States, in each case located in the County of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation or proceeding brought in any such court has been brought in an inconvenient forum.

(c) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, OR (ii) IN ANY WAY IN CONNECTION WITH OR PERTAINING OR RELATED TO OR INCIDENTAL TO ANY DEALINGS OF THE PARTIES TO THIS AGREEMENT OR THE EXERCISE OF ANY PARTY'S RIGHTS AND REMEDIES UNDER THIS AGREEMENT OR OTHERWISE, OR THE CONDUCT OR THE RELATIONSHIP OF THE PARTIES HERETO, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

10.8 Notices.

Except as otherwise specifically provided in this Agreement, all notices, requests, demands and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon receipt or upon three (3) Business Days after the mailing thereof, sent by certified mail, return receipt requested, to the attention of the person named at the address set forth on the signature page hereof.

10.9 Waivers.

The Company, the Licensor and the Service Providers may, in writing:

(a) waive compliance with any of the terms, conditions or covenants required to be complied with by any other Party hereunder; and

(b) waive or modify performance of any of the obligations of any other Party hereunder.

The waiver by any Party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

10.10 Binding Effect.

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their successors and assigns.

10.11 Headings and Section References.

Headings of the Articles and Sections in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. All references in this Agreement to Sections or subsections are references to Sections or subsections of this Agreement unless otherwise specified.

10.12 Exhibits.

The exhibits to this Agreement are hereby incorporated and made a part hereof and are integral parts of this Agreement.

10.13 Counterparts.

This Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.

10.14 Confidentiality.

(a) Confidential Information. The Company, the Licensor and the Service Providers agree that "Confidential Information" means nonpublic information revealed by or through a Party (the "Disclosing Party") to any other Party (a "Receiving Party"), including (i) information expressly or implicitly identified as originating with or belonging to third parties, or marked or disclosed as confidential in writing, (ii) information traditionally recognized as proprietary trade secrets or reasonably understood to be confidential, (iii) information about the Borrower Loans and the Members, including Member Information as defined below and (iv) all copies of all of the foregoing. Except for Member Information (as defined below) where the obligations of confidentiality always apply except as stated in Section 10.14(d), Confidential Information shall not include information that: (1) is publicly available through no action of the Receiving Party and through no breach of any confidentiality obligation owed to the Disclosing Party; (2) has been in the Receiving Party's possession without restrictions on disclosure prior to disclosure by the Disclosing Party; (3) has been developed by or become known to the Receiving Party without access to any Confidential Information of the Disclosing Party and without breach of a confidentiality obligation owed to the Disclosing Party and outside the scope of any agreement with the Disclosing Party; or (4) is obtained rightfully from third parties not bound by an obligation of confidentiality.

(b) Member Information. For the purposes of this Agreement, "Member Information" shall mean any non-public, personally identifiable information about a Member, including any combination of a Member's name plus any of his or her social security number, driver's license or other identification number or credit or debit card number, or other account number utilized by a Service Provider, revealed by or through a Disclosing Party to a Receiving Party.

(c) Safeguards. The Service Providers and the Company agree to maintain appropriate administrative, technical and physical safeguards for all Confidential Information (including, for the avoidance of doubt, all Member Information). These safeguards shall (i) ensure the confidentiality of Confidential Information; (ii) protect against any anticipated threats or hazards to the security or integrity of Confidential Information; (iii) protect against unauthorized access to or use of Confidential Information that could result in substantial harm or inconvenience to the Disclosing Party or any Member; and (iv) provide for proper disposal of all Confidential Information to ensure that unauthorized Persons do not obtain access thereto. The Company and the Service Providers agree to maintain all such safeguards in accordance with applicable laws, rules, regulation and guidance.

(d) Certain Permitted Disclosures. For the avoidance of doubt, nothing in Sections 10.14(a)–(c) shall prevent a Loan and Note Servicer Provider from (i) disclosing Performance Information to credit reporting agencies, (ii) posting (or permitting Members to post) information on the Prosper Website or the Note Trader Platform in connection with Loan Listings, Borrower Loans or Securities, or (iii) posting on the Prosper Website or disclosing in the Prospectus pooled Performance Information concerning the Borrower Loans; provided that each posting or disclosure made by a Service Provider pursuant to clause (ii) or (iii) shall comply with the Privacy Policy and no such posting or disclosure by a Service Provider shall include any Prohibited Information. A Service Provider shall not be responsible to the Company for any Prohibited Information posted on the Prosper Website by a Borrower-Member without a Service Provider's consent; provided that if a Service Provider becomes aware that any Borrower-Member has posted Prohibited Information, such Service Provider shall take in relation thereto such actions as such Service Provider then deems to be in the Company's best interest (including, if such Service Provider so determines, cancellation of the relevant Loan Listing or deletion of the Prohibited Information).

(e) Privacy Laws. In addition to the above, the Company and each Loan and Note Servicer Provider shall comply with all applicable federal and state laws, rules and regulations of regulatory agencies governing the privacy rights of each party hereto and the Members.

(f) Breach. Each Party hereto agrees to notify the other Parties hereto promptly upon knowledge of any breach in security resulting in unauthorized access to Confidential Information or Member Information. Each Party hereto agrees to provide any assistance to the other Parties hereto that is necessary to contain and control the incident to prevent further unauthorized access to or use of Confidential Information or Member Information including preserving records and other evidence, compiling information enabling the preparation and filing of any necessary reports and notifying regulators and any affected Members.

10.15 Insurance.

Each Service Provider shall at all times during the term of this Agreement obtain and maintain insurance with responsible companies in such amounts and against such risks as are customarily carried by business entities engaged in similar businesses similarly situated, and will furnish the Company on request full information as to all such insurance, and provide within fifteen (15) days after receipt of such request the certificates or other documents evidencing such policies. Without limitation to the foregoing, each Service Provider (or in case all Service Providers are the same Person, such Person), shall maintain insurance coverage for itself and its subsidiaries that encompasses employee dishonesty, forgery or alteration, theft, disappearance and destruction, robbery and safe burglary, property (other than money and securities) and computer fraud in an aggregate amount of at least $1,000,000 per occurrence.

10.16 Disaster Recovery.

Each Service Provider shall have in place comprehensive disaster recovery and business continuity plans including contact information that specifies the procedures to be followed with respect to the continued provision of services described in this Agreement in the event such Service Provider's (or any of its sub-loan and note servicer's) facilities or equipment are destroyed or damaged. Each Service Provider shall make such plans or summaries thereof available to the Company for review. Such plans shall provide for backup and record protection for records relating to the Company, the Prosper System, the Securities and the servicing of the Borrower Loans for such time as records are required to be retained in accordance with the Applicable Requirements. Each Service Provider shall test the operation and effectiveness of such plan at least annually and furnish to the Company a summary of the test results thereof. In the event that a Service Provider's plan fails in whole or in part the test required hereby, such Service Provider shall conduct a re-test.

10.17 Background Check.

Each Service Provider shall conduct, or has conducted, a criminal background check at its own expense on each of its employees engaged in providing services under this Agreement prior to the commencement of such services. No Service Provider employee shall be eligible to perform services for the Company if he or she, to such Service Provider's knowledge, (1) has been convicted of or was placed in a pre-trial diversion program for any crime involving dishonesty or breach of trust including, but not limited to, check kiting or passing bad checks; embezzlement, drug trafficking, forgery, burglary, robbery, theft, perjury; possession of stolen property, identity theft, fraud, money laundering, shoplifting, larceny, falsification of documents; and/or (2) has been convicted of any sex, weapons or violent crime including but not limited to homicide, attempted homicide, rape, child molestation, extortion, terrorism or terrorist threats, kidnapping, assault, battery, and illegal weapon possession, sale or use.

10.18 Separate Identity.

Whenever a Service Provider is an Affiliate of the Company, such Service Provider undertakes to the Company that for so long as any Securities are outstanding such Service Provider will (i) maintain its own books, records and bank accounts separate from those of the Company, (ii) hold itself out to the public and all other Persons as a legal entity separate from the Company, (iii) have a board of directors separate from that of the Company, (iv) not commingle its assets with those of the Company, (v) maintain financial statements separate from those of the Company; provided that such Service Provider's consolidated financial statements may include the Company's financial information subject to disclosure in such consolidated financial statements that such Service Provider's assets are not available to satisfy Company obligations and that the Company's assets are not available to satisfy such Service Provider obligations, (vi) maintain an arm's-length relationship with the Company, (vii) allocate fairly and reasonably between itself and the Company any overhead for shared office space, (viii) use stationery, invoices and checks separate from those of the Company, (ix) correct any known misunderstanding regarding its separate identity from the Company, (x) not use Company assets to pay its own obligations or hold out its own assets as being available to satisfy Company obligations, and (xi) not guarantee any obligations of the Company (it being understood that such Service Provider's obligations under Sections 5.9 and 5.14 shall not be deemed to contravene this Section 10.18). The terms of this Section 10.18 shall survive any termination of this Agreement.

10.19 No Third-party Beneficiary.

There are no third-party beneficiaries to this Agreement; provided, however, that the holders of the Securities (and the Trustee on their behalf), shall be deemed express third party beneficiaries of, and shall be entitled to enforce, the obligations of PMI set forth in Section 5.5(a) and PMI's indemnification obligations for breaches of Section 5.5(a).

10.20 Limited Recourse.

The obligations of the Company under this Agreement are solely the obligations of the Company. No recourse shall be had for the payment of any amount owing by the Company under this Agreement or for the payment by the Company of any fee in respect hereof or any other obligation or claim of or against the Company arising out of or based upon this Agreement, against any organizer, member, director, officer, manager or employee of the Company or any of its Affiliates; provided, however, that the foregoing shall not relieve any such Person of any liability it might otherwise have as a result of fraudulent actions or omissions taken by it. The Licensor and each Service Provider agrees that the Company shall be liable for any claims that the Licensor or any Service Provider may have against the Company (including, without limitation, any claim for the payment of fees or expense reimbursements) only to the extent that the Company has funds available to pay such claims that are not, under the Indenture, allocated to the payment of Securities, and that, to the extent that any such claims remain unpaid after the application of such funds in accordance with the Indenture, such claims shall be extinguished. The terms of this Section 10.20 shall survive any termination of this Agreement.

10.21 No Petition.

The Licensor and each Service Provider hereby covenants and agrees that it will not institute against, or join or assist any other person in instituting against, the Company any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other similar proceeding under the laws of any jurisdiction for one year and a day after all of the Securities have been paid in full. The terms of this Section 10.21 shall survive any termination of this Agreement.

10.22 Informal Dispute Resolution.

Each Party shall appoint one or more responsible persons to administer this Agreement. In the event of a dispute, those persons shall attempt to resolve the dispute in good faith. Prior to bringing any formal or legal action, a senior executive, at the level of president or above, of each Party shall meet and attempt to resolve the dispute.

10.23 Taxes.

Under no circumstances shall the Company be responsible for any taxes of the Licensee or any Service Provider.

10.24 Severability.

In case any of Articles III, IV or V shall be terminated by the Company, the Corporate Administrator, Loan Platform Administrator or Loan and Note Servicer, as applicable, the validity, legality and enforceability of the remaining provisions or obligations under this Agreement shall not in any way be affected or impaired thereby.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each Party has caused this Agreement to be signed in its corporate name on its behalf by its proper official duly authorized as of the day, month and year first above written.

Company:

PROSPER FUNDING LLC

By: /s/ Sachin Adarkar
Name: Sachin Adarkar
Title: Secretary
Address: 111 Sutter Street, 22nd Floor
San Francisco, CA 94104

Tax Identification
No.: _____

Licensor:

PROSPER FUNDING LLC

By: /s/ Sachin Adarkar
Name: Sachin Adarkar
Title: Secretary
Address: 111 Sutter Street, 22nd Floor
San Francisco, CA 94104

Tax Identification
No.: _____

Licensee:

PROSPER MARKETPLACE, INC.

By: /s/ Kirk Inglis
Name: Kirk Inglis
Title: Chief Operating Officer
Address: 111 Sutter Street, 22nd Floor
San Francisco, CA 94104

Tax Identification
No.: _____

Signature page to Administration Agreement

Corporate Administrator:

PROSPER MARKETPLACE, INC.

By: /s/ Kirk Inglis
Name: Kirk Inglis
Title: Chief Operating Officer
Address: 111 Sutter Street, 22nd Floor
San Francisco, CA 94104

Tax Identification
No.:

Loan Platform Administrator:

PROSPER MARKETPLACE, INC.

By: /s/ Kirk Inglis
Name: Kirk Inglis
Title: Chief Operating Officer
Address: 111 Sutter Street, 22nd Floor
San Francisco, CA 94104

Tax Identification
No.:

Loan and Note Servicer:

PROSPER MARKETPLACE, INC.

By: /s/ Kirk Inglis
Name: Kirk Inglis
Title: Chief Operating Officer
Address: 111 Sutter Street, 22nd Floor
San Francisco, CA 94104

Tax Identification
No.:

Exhibit A

Borrower Registration Agreement

Exhibit B

Lender Registration Agreement

Exhibit C

Fees

License Fee

From and after the Closing Date of this Agreement, on the last Business Day of each calendar month, Licensee shall pay to Licensor a License Fee equal to the product of $150.00 and the number of borrower listings posted on the Prosper System since the preceding monthly License Fee payment date (or, in the case of the first such payment date, since the Closing Date of this Agreement); provided that on the last Business Day of each Calendar year during the term of the License on or after 2013, Licensee shall also pay to Licensor an additional amount equal to either zero or the difference, if positive, between $2,500,000 and the aggregate amounts paid through such date in respect of such monthly License Fee amounts already paid through such date during such calendar year.

Corporate Administration Fee

On the last Business Day of each calendar month, commencing on the later of December 28, 2012 or the last Business Day of the calendar month during which the Closing Date occurs, the Company shall pay to the Corporate Administrator by (in respect of its provision of the services specified in Article III of this Agreement) an amount equal to one-twelfth (1/12) of the following specified annual Corporate Administration Fees:

Year	Annual Corporate Administration Fee
2012	$ 800,000
2013	$ 865,000

provided, that, in the case of the first such payment date, the amount due shall be pro-rated by the number of days since the date on which the Corporate Administrator started to provide the services specified in Article III of this Agreement and the first such payment date; provided, further, that in the case of the last payment of the Corporate Administration Fee due under Article III of this Agreement, the amount due shall be pro-rated by the number of days from the last monthly fee payment date and the date on which the Corporate Administrator stopped providing the services specified in Article III of this Agreement.

Loan Platform Servicing Fee

On the last Business Day of each calendar month, commencing on the later of December 28, 2012 or the last Business Day of the calendar month as of which at least 12,000 Borrower Loans have been funded through the Prosper System since the Closing Date, the Company shall pay to the Loan Platform Administrator (in respect of its provision of the services described in Article IV of this Agreement) an amount equal to the product of $112.50 and the number of Borrower Loans funded since the last monthly fee payment date (or, in the case of the first such payment date, since the Closing Date of this Agreement).

Loan and Note Servicing Fee

On the last Business Day of each calendar month, commencing on the later of December 28, 2012 or the last Business Day of the calendar month during which the Closing Date occurs, the Company shall pay to the Loan and Note Servicer (in respect of its provision of the services described in Article V of this Agreement) an amount equal to 90% of all servicing fees collected by or on behalf of the Company and all nonsufficient funds fees collected by or on behalf of the Company since the preceding Loan and Note Servicing Fee payment date (or, in the case of the first such payment date, since the Closing Date of this Agreement).

Exhibit 10.2

AMENDED AND RESTATED SERVICES AGREEMENT

THIS AMENDED AND RESTATED SERVICES AGREEMENT (this "Agreement"), dated as of January 24, 2013, is among FOLIO*fn* Investments, Inc., a Virginia corporation registered as a broker-dealer under the Securities Exchange Act of 1934, as amended ("Folio"), Prosper Marketplace, Inc. a Delaware corporation ("PMI"), and Prosper Funding LLC, a Delaware limited liability company and wholly-owned subsidiary of PMI ("PFL"). As used in this Agreement, "Party" means Folio, PMI or PFL; "Parties" means Folio, PMI and PFL; "Prosper Party" means PMI or PFL; and "Prosper Parties" means PMI and PFL

RECITALS

WHEREAS, Folio operates and maintains an alternative trading system (the "ATS" or the "Trading Platform") for, among other things, the purchase and sale in the secondary market of borrower payment dependent notes originally issued by PMI ("Folio's Business");

WHEREAS, PMI and Folio have entered into a Services Agreement, dated March 3, 2009, pursuant to which PMI provides to Folio, for the exclusive benefit of Folio, certain services in connection with Folio's Business;

WHEREAS, PMI and Folio have also entered into a License Agreement, dated March 3, 2009 (which agreement is being amended and restated concurrently herewith), pursuant to which PMI licenses to Folio certain software and technology that Folio uses to operate the Trading Platform ("Software");

WHEREAS, PMI and Folio have also entered into a Hosting Services Agreement, dated March 3, 2009 (which agreement is being amended and restated concurrently herewith), pursuant to which PMI hosts such Software for Folio's exclusive use;

WHEREAS, PMI has filed a Registration Statement on Form S-1 with the Securities and Exchange Commission (the "SEC"), pursuant to which PMI issues and sells borrower payment dependent notes, the payments of which are tied to the payments made by borrowers on loans owned by PMI;

WHEREAS, PMI wishes to provide its note purchasers with greater protection against the possibility of PMI becoming insolvent by having PFL, rather than PMI, sell notes tied to payments made by borrowers on loans owned by PFL;

WHEREAS, PFL has filed a Registration Statement on Form S-1 with the SEC, pursuant to which PFL will offer and sell borrower payment dependent notes, the payments of which will be tied to the payments made by borrowers on loans owned by PFL (the "New Public Offering");

WHEREAS, in connection with the commencement of the New Public Offering, PMI and PFL will enter into an agreement pursuant to which PMI will contribute to PFL all borrower loans owned by PMI, all borrower payment dependent notes issued by PMI, and the on-line peer-to-peer lending platform used to originate borrower loans and issue borrower payment dependent notes (the "P2P Platform"); and

WHEREAS, effective as of the Effective Date, the Parties therefore desire to amend and restate the terms of the existing Services Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained in this Agreement, subject to the satisfaction of the terms and conditions set forth herein, and intending to be legally bound, the Parties hereto agree as follows:

ARTICLE I
SERVICES

SECTION 1.1 Folio Services. Subject to the terms and conditions of this Agreement, Folio shall operate and maintain the Trading Platform for the purchase and sale of borrower payment dependent notes ("Notes") among PMI's P2P Platform members. Folio shall provide to PMI the services as listed and described on Exhibit A, or as otherwise described in this Agreement (collectively, the "Folio Services").

(a) Operation of Trading Platform. Folio shall effectuate the purchase and sale in the secondary market of Notes by and among PMI's P2P Platform members who receive authorization from Folio to access the Trading Platform. Folio shall, in accordance with the Amended and Restated License Agreement among the Parties, dated January 24, 2013 (the "License Agreement") and the Amended and Restated Hosting Services Agreement among the Parties, dated January 24, 2013 (the "Hosting Services Agreement"), provide for and manage (i) the process under which it will qualify or reject PMI's P2P Platform members for access to the Trading Platform, (ii) handle the transfer of Notes and cash for payment of the purchase price among Folio approved PMI's P2P Platform members' trading Notes on the Trading Platform, and (iii) record and maintain accurate transaction records of all Note purchases and sales and cash deposits and withdrawals on the Trading Platform. Folio shall manage and record the transfer of title of Notes from sellers to buyers and keep funds and securities in its possession belonging to PMI's P2P Platform members authorized by Folio to access the Trading Platform in a separate account for the sole benefit of its customers, and shall not commingle sellers' or buyers' funds with Folio's own funds.

(b) Compliance. Folio shall direct and oversee the purchase and sale of Notes on the Trading Platform, and otherwise operate and manage the Trading Platform in compliance with the Applicable Law of any Governmental Authority (as those terms are defined below), including without limitation laws governing the purchase, sale and transfer of securities and securities ATS and/or broker-dealer requirements.

(c) Broker-Dealer Licensing. Folio warrants and represents to the Prosper Parties that it is registered as a broker-dealer under the Securities Exchange Act of 1934 and holds and shall maintain all necessary licenses and registrations to operate and maintain the Trading Platform and perform the Folio Services in all 50 states of the United States.

SECTION 1.2 PMI Services. Subject to the terms and conditions of this Agreement, PMI shall provide to Folio the services as listed and described on Exhibit B, or as otherwise described in this Agreement (collectively, the "PMI Services"). PMI shall render the PMI Services as an independent service provider subject to the supervision and direction of Folio.

(a) Scope. The PMI Services (i) shall include the services set forth in Exhibit B, as amended from time to time, and (ii) shall be provided (A) in a manner and with reasonable care consistent with the manner and reasonable care used by PMI in the conduct of its own business, and (B) in a manner consistent with the requirements of applicable law, statute, order, rule, regulation, policy or guideline ("Applicable Law") of any United States or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including the SEC, or any other authority, agency, department, board, commission or instrumentality of the United States, any State of the United States or any political subdivision thereof or any foreign jurisdiction, and any court, tribunal or arbitrator(s), and any United States or foreign governmental or non-governmental self-regulatory organization, agency or authority (including the Financial Industry Regulatory Authority, Inc.) ("SRO"), in each case, having competent jurisdiction or authority (collectively, "Governmental Authority"). Subject to the first sentence of this Section 1.2, Section 1.6 and the Applicable Law of any Governmental Authority, PMI and Folio may agree from time to time that in addition to the existing PMI Services, other services are necessary for the conduct of Folio's Trading Platform. Such other services will be included in the PMI Services upon the written agreement of PMI and Folio.

(b) Review of Scope. If PMI or Folio wishes to conduct a review of, or make changes to, the PMI Services, either PMI or Folio shall request in writing that a services review meeting be held within ten (10) business days, to discuss the provision of PMI Services; provided that no changes to the PMI Services will be made without the prior written consent of PMI and Folio. For the avoidance of doubt, PMI may choose to use different facilities, equipment, software programs, and employees to provide the PMI Services without the prior approval of Folio.

(c) Regulatory Requirements relating to the Prosper Parties' Services. PMI has filed an undertaking with the SEC, in the form attached as Exhibit D to this Agreement, and provided a copy to Folio. Upon the Changeover Date (as defined below), PFL shall assume PMI's books and regulatory requirements identified in Exhibit D and shall file an undertaking with the SEC, in the form attached as Exhibit D-1, and provide a copy to Folio.

(d) Consideration to Folio. For each Note sold, the seller shall pay Folio a percentage of the proceeds received from such sale ("Transaction Fee"). Transaction fees shall be collected by Folio from the proceeds of sales of Notes. Further, the Parties acknowledge that PMI has an interest in the establishment and successful operation of Folio's Business because of the shared customers of PMI and Folio. As such, and in consideration for Folio's services under this Agreement, to the extent aggregate Transaction Fees for a calendar month during the Term or any Renewal Term do not equal or exceed twenty thousand dollars ($20,000) (the "Minimum Monthly Fee"), PMI shall pay Folio the difference. For example, if aggregate transaction fees in April of 2013 equal $16,000, PMI shall pay Folio $4,000 ($20,000 minus $16,000). In the event transaction fees for a particular month exceed $20,000, the excess amount shall be applied as a credit toward any shortfall in succeeding months during the Term or any Renewal Term. For example, if aggregate transaction fees equal $23,000 in May of 2013 and $12,000 in June of 2013, PMI shall be entitled to a credit of $3,000 against the Minimum Monthly Fee for June, so that PMI shall pay Folio $5,000 for June ($20,000 minus ($12,000 + $3,000) = $5,000). PMI shall make any required payments to Folio toward the Minimum Monthly Fee no later than 15 days after the end of each calendar month during the Initial Term or any Renewal Term (as such terms are defined below). Further, for any period for which Folio conducts Folio's Business that is less than one calendar month, PMI shall pay a pro rata share of the Minimum Monthly Fee set forth above minus the aggregate Transaction Fees received by Folio for that period of time, less any credits from prior months.

(e) Marketing. For the Term (as defined below), PMI shall showcase Folio through the use of its corporate name or trademark, if any, in a manner mutually agreeable to PMI and Folio on either PMI's homepage or any homepage through which a lender member would access the PMI website. In addition, PMI and Folio agree to facilitate the marketing campaign calendar set forth in Exhibit E.

(f) Audit. Once during the Initial Term and once during any Renewal Term, Folio shall have the right to conduct (or direct an agent to conduct) at PMI's expense not to exceed twenty five thousand dollars ($25,000) per audit, an audit of any appropriate site, facility or performance documentation of PMI, as directly related to the PMI Services, and as may be reasonably necessary for compliance purposes under Applicable Law. Such audits shall be conducted during normal business hours and in a manner so as not to cause PMI to be in violation of any Applicable Law or contracts or other rights of third parties. PMI shall provide to Folio or any auditor or attorney acting on Folio's behalf with respect to conducting an audit of the PMI Services such assistance as they reasonably require, including installing and operating audit software. With respect to any agreement between Folio and any auditor or attorney acting on Folio's behalf under this Section 1.2(f), Folio shall require such auditor or attorney to maintain any confidential information created or received relating to PMI in accordance with Section 4.1 of this Agreement.

SECTION 1.3 No Employment Relationship. At all times during the performance of the PMI Services, all persons performing PMI Services shall be in the employ and/or under the control of PMI (including agents, contractors, temporary employees and consultants) and shall be independent from Folio and shall not be considered to be employees of Folio or its affiliates and shall not be entitled to any payment, benefit or perquisite directly from Folio or its affiliates on account of the PMI Services received. PMI agrees that no person acting as an employee of PMI who performs PMI Services under this Agreement may, at such time and in the exclusive capacity as a PMI employee, make any representation regarding Folio, hold himself or herself out as an agent or employee of Folio, bind, or attempt to bind, Folio or take any similar action.

SECTION 1.4 Relationship of the Parties. The Parties agree that in performing their respective responsibilities pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between Folio and either or both of the Prosper Parties. Folio acknowledges that, notwithstanding the provision of the PMI Services by PMI to Folio, Folio shall remain responsible to any relevant Governmental Authority for the continued performance by PMI of the PMI Services under this Agreement.

SECTION 1.5 No Conflicts. Notwithstanding any other provision of this Agreement, PMI shall not be required to provide or to cause to be provided PMI Services hereunder that conflict with any Applicable Law, contract, rule, regulation, order, license, authorization, certification or permit.

SECTION 1.6 Limitation of Services. Except as otherwise expressly contemplated by Exhibit B, PMI shall not be obligated to (a) make modifications to its existing systems, or (b) acquire additional assets, equipment, rights or properties (including computer equipment, software, furniture, furnishings, fixtures, machinery, vehicles, tools or other tangible personal property) or hire additional personnel in connection with this Agreement.

SECTION 1.7 **No Exclusivity.** The Parties acknowledge that Folio has developed an alternative trading system for notes and/or securities and that it is constantly modifying that system. The Parties agree that Folio (or any affiliate of Folio) may, in its sole discretion, operate an alternative trading system (or similar exchange or system) for the trading of notes or securities by members, participants, subscribers (or persons of a similar nature) of an Internet-based peer-to-peer lending platform (howsoever described) that directly or indirectly competes with either or both of the Prosper Parties.

ARTICLE II
CONDITION TO AGREEMENT AND TERM OF THE AGREEMENT

SECTION 2.1 **Condition to Agreement.** PMI and Folio understand and agree that bids from P2P Platform members in the marketplace for the secondary trading of Notes may only be made by residents of a state that either has declared PMI's registration statement effective or has an exemption from registration that is applicable to such activity; provided, however, that before bids from P2P Platform members in the marketplace for the secondary trading of Notes may be made by residents of a state that has an exemption from registration that is applicable to such activity, PMI must provide Folio a certification by its General Counsel or Secretary attesting to the availability of the exemption.

SECTION 2.2 **Term of the Agreement.**

(a) Unless earlier terminated in accordance with Section 2.3, the initial term of this Agreement shall begin on the Effective Date and shall continue for a period of one year (the "Initial Term").

(b) On the first anniversary of the Effective Date and each anniversary date thereafter, this Agreement shall automatically successively renew for a period of one (1) year each (each a "Renewal Term") unless prior to expiration of the Initial Term or a Renewal Term PMI or Folio provides thirty (30) days' written notice to the other Parties of its intent not to renew, or unless earlier terminated in accordance with Section 2.3. The Initial Term and any Renewal Term shall be collectively referred to herein as the "Term".

SECTION 2.3 **Termination.**

(a) The following Parties may terminate this Agreement:

(i) PMI may terminate this Agreement during the Term, in writing, without cause, effective nine (9) months' after notice is sent to Folio;

(ii) PMI may terminate this Agreement in writing, effective thirty (30) days after notice is sent to the other Parties, if PMI determines, in its sole discretion, that P2P Platform members of PMI may transfer their Notes through a structure that does not require a resale trading platform operated by a registered broker-dealer, and that the use of such structure is approved by the SEC, provided, however, that PMI shall use reasonable efforts to notify all customers of PMI that are also customers of Folio of such change, and shall assist Folio in the transition of such customers, as requested by Folio;

(iii) Folio may terminate this Agreement in writing, effective immediately, if either Prosper Party commits a breach of Applicable Law that materially affects Folio's ability to provide Trading Platform and/or brokerage services to customers of Folio ("Folio Customers") in compliance with any federal or state securities laws, rules or regulations or any rules of a self-regulatory organization of which Folio is a member, provided, however, that PMI shall provide the PMI Services for a commercially reasonable period of time to allow Folio to close out any outstanding transactions relating to Folio's Business at the time of termination;

(iii) Folio may terminate this Agreement in writing, without cause, effective nine (9) months after such notice is sent to the Prosper Parties;

(iv) PMI or Folio may terminate this Agreement, in writing, effective immediately, in the event of any material breach of any warranty, representation or covenant of this Agreement by another Party which remains uncured thirty (30) days after written notice of such breach to such other Party; or

(v) PMI or Folio may terminate this Agreement, upon mutual agreement of the Parties.

(b) Notwithstanding the foregoing, this Agreement shall terminate immediately upon the effective termination of the License Agreement or the Hosting Services Agreement.

SECTION 2.4 Consequences of Termination, Expiration of the Term. Upon termination, for any reason, or expiration of the Term of this Agreement, (i) the Prosper Parties, as applicable, shall maintain the Books and Records for the terms outlined in Exhibit B on behalf of, and for the benefit of, Folio; and (ii) any Party shall, if required by the disclosing Party, return or destroy all Confidential Information (as defined below), subject to Applicable Law. Termination or expiration of this Agreement will not relieve Folio of its obligations to any P2P Platform member who has become a customer of Folio.

SECTION 2.5 Survival. The provisions of Sections 1.3, 1.4, 2.4, 2.5, 8.2, 8.3, and 8.4 and Articles IV, V, VI, and VII shall survive any expiration or termination of this Agreement in accordance with their terms.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

SECTION 3.1 Representations and Warranties. Each Party represents and warrants to the other Parties that, except as otherwise disclosed in writing to the other Parties:

(a) it is a company duly incorporated and validly existing under the laws of the jurisdiction of its establishment;

(b) it has the full power and authority to enter into this Agreement and to perform its obligations under this Agreement;

(c) it has obtained all material consents and approvals and taken all actions necessary for it to validly enter into and give effect to this Agreement;

(d) this Agreement will, when executed, constitute lawful, valid and binding obligations on it, enforceable in accordance with its terms; and

(e) it has since February 2006, in all material respects, carried on and is carrying on its business in compliance with all Applicable Law, and since February 2006 has complied and is able to comply with the rules and requirements of all relevant Governmental Authorities. It has not breached, and there are no breaches, of its organizational documents. Except for the Consent Orders entered into by PMI with the SEC, the California Department of Corporations, the Connecticut Department of Banking, the Maine Office of Securities, and a settlement entered into with the North American Securities Administrators of America as disclosed to Folio, to their actual knowledge, there has not been and there is no investigation or inquiry by, or order, decree, decision or judgment of, any Governmental Authority outstanding or anticipated against the Prosper Parties, which, in each case, would have a material adverse effect on their ability to enter into or perform their obligations under this Agreement.

SECTION 3.2 Continuing Effect. The representations and warranties set out in Section 3.1 shall be deemed to be repeated throughout the Term of this Agreement.

ARTICLE IV
CONFIDENTIALITY

SECTION 4.1 Folio's Confidentiality Obligation. Folio agrees that it and its managers, employees, consultants, agents and advisors shall treat confidentially and not disclose, or permit any affiliate of it or their respective advisors, employees, agents or representatives to disclose, to any third party any non-public or proprietary information received from or on behalf of either or both of the Prosper Parties or about either or both of the Prosper Parties ("Confidential Information"). For the avoidance of doubt, such Confidential Information shall include any personally identifiable information about any P2P Platform member, excluding personally identifiable information received by Folio in the course of establishing or maintaining access to the Trading Platform or a Folio account for any such person or relating to executing a Trading Platform transaction for any such person. Folio agrees not to use such Confidential Information for any purpose other than for the fulfillment of Folio's obligations in connection with the transactions contemplated by this Agreement, without obtaining the prior written consent of the disclosing Prosper Party, except (a) portions of such

information that are or become generally available to the public other than as a result of disclosure by Folio in violation of this Agreement, (b) portions of such information received on a non-confidential basis from a third party who, to such recipient's knowledge, is not prohibited from disclosing the information pursuant to a confidentiality agreement with, or fiduciary obligations to, the disclosing Prosper Party, and (c) for the purpose of making any disclosures required by Applicable Law. In the event that such Confidential Information is disclosed in accordance with this paragraph, Folio agrees to contractually require each person to whom it has provided such Confidential Information as expressly permitted hereunder or with the prior written consent of the disclosing Prosper Party to keep such information confidential and to use and disclose it only in connection with the conduct of Folio's Business.

SECTION 4.2 Prosper Parties' Confidentiality Obligation. Each Prosper Party agrees that it and its directors, employees, consultants, agents, representatives and advisors shall treat confidentially and will not disclose to any third party any Confidential Information received from or on behalf of Folio or any of its affiliates, or use such Confidential Information for any purpose other than for the fulfillment of such Prosper Party's obligations under this Agreement without obtaining the prior written consent of Folio, except (a) portions of such information that are or become generally available to the public other than as a result of disclosure by a Prosper Party in violation of this Agreement, (b) portions of such information received on a non-confidential basis from a third party who, to such recipient's knowledge, is not prohibited from disclosing the information pursuant to a confidentiality agreement with, or fiduciary obligations to, Folio, and (c) for the purpose of making any disclosures required by Applicable Law. For the avoidance of doubt, Folio's Confidential Information shall include any personally identifiable information provided by an individual or entity to Customer or either Prosper Party solely for the purpose of accessing the ATS or opening a brokerage account through Folio.

SECTION 4.3 Protection of Customer Information. For purposes of complying with their obligations under Applicable Law relating to the protection of consumer personal information, if any, the Parties will comply with the terms and conditions set forth in Exhibit C attached hereto.

SECTION 4.4 Permitted Disclosure. Notwithstanding the forgoing provisions of ARTICLE IV, a Party may disclose Confidential Information received from another Party if:

(a) such information is disclosed, in compliance with Applicable Law, by the receiving Party to its advisors, representatives, agents and employees, acting in their capacity as such, who have a need to know such Confidential Information in connection with the performance of this Agreement; provided, however, that such advisors, representatives, agents and employees shall be required to agree to abide by the requirements of this ARTICLE IV and the receiving Party shall be liable to the disclosing Party for any breach of these requirements by its advisors, representatives, agents and employees; or

(b) a Party determines that it is required by Applicable Law to disclose information not otherwise permitted to be disclosed pursuant hereto. In advance of any such disclosure (to the extent legally permitted and reasonably practicable), the receiving Party shall consult with the disclosing Party regarding such disclosure and seek confidential treatment for such portions of the disclosure as may be requested by the disclosing Party. Such receiving Party shall have no liability hereunder if, prior to the required disclosure, the receiving Party receives a written opinion from its counsel opining that such disclosure is required by law or regulation. In addition, notwithstanding any other provision of this Agreement, any Party shall be permitted to file a copy of this Agreement with any Governmental Authority.

(c) Notwithstanding any provisions of this Agreement to the contrary, PFL agrees that PMI may use, retain and disclose all Confidential Information of PFL obtained by PMI without regard to the provisions of this ARTICLE IV.

SECTION 4.5 Damages Not an Adequate Remedy. Without prejudice to any other rights or remedies of a Party, the Parties acknowledge and agree that damages would not be an adequate remedy for any breach of this ARTICLE IV and the remedies of prohibitory injunctions and other relief is appropriate and may be sought for any threatened or actual breach of any provision of this ARTICLE IV. No proof of special damages shall be necessary for the enforcement of any Party's rights under this ARTICLE IV.

ARTICLE V
LIMITATION OF DAMAGES

SECTION 5.1 Folio's Liability to the Prosper Parties. EXCEPT TO THE EXTENT (A) INCLUDED IN A FINAL AWARD AGAINST A PROSPER PARTY RESULTING FROM A THIRD PARTY CLAIM FOR WHICH SUCH PROSPER PARTY IS INDEMNIFIED PURSUANT TO SECTION 6.1, OR (B) RELATING TO OR ARISING FROM THE WILLFUL OR INTENTIONAL MISCONDUCT OF FOLIO, IN NO EVENT SHALL FOLIO OR ITS AFFILIATES BE LIABLE TO A PROSPER PARTY FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL, OR INDIRECT LOSSES OR DAMAGES FROM THEIR PERFORMANCE UNDER THIS AGREEMENT, OR, EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH HEREIN, FOR ANY FAILURE OF OR DEFECT IN PERFORMANCE HEREUNDER OR RELATED HERETO, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. IN NO EVENT SHALL THE LIABILITY OF FOLIO OR ITS AFFILIATES UNDER THIS AGREEMENT EXCEED IN ANY GIVEN CALENDAR YEAR ONE PERCENT OF THE TOTAL DOLLAR AMOUNT OF TRANSACTIONS EXECUTED BY FOLIO WITH RESPECT TO FOLIO'S BUSINESS.

SECTION 5.2 Prosper Parties' Liability to Folio. EXCEPT TO THE EXTENT (A) INCLUDED IN A FINAL AWARD AGAINST FOLIO RESULTING FROM A THIRD PARTY CLAIM FOR WHICH FOLIO IS INDEMNIFIED PURSUANT TO SECTION 6.2, OR (B) RELATING TO OR ARISING FROM THE WILLFUL OR INTENTIONAL MISCONDUCT OF A PROSPER PARTY, IN NO EVENT SHALL A PROSPER PARTY BE LIABLE TO FOLIO OR ITS AFFILIATES FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL, OR INDIRECT LOSSES OR DAMAGES FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR, EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH HEREIN, FOR ANY FAILURE OF OR DEFECT IN PERFORMANCE HEREUNDER OR RELATED HERETO, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE.

ARTICLE VI
INDEMNIFICATION

SECTION 6.1 Folio's Indemnification of the Prosper Parties. Folio shall defend, indemnify and hold the Prosper Parties harmless from and against any and all claims, demands, causes of action, or suits of any nature or character based on any legal theory, including products liability, strict liability, violation of any federal, state or local law, rule or regulation, or the sole or concurrent negligence of any person ("Claims") to which either or both of the Prosper Parties may become subject (including any legal or other expenses reasonably incurred by it in connection with investigating any Claim against it and defending any action and any amounts paid in settlement or compromise, provided Folio shall have given its prior written approval of such settlement or compromise, which approval shall not be unreasonably withheld or delayed) that arise, directly or indirectly, from (i) any third party Claim resulting from any breach by Folio (or its affiliates) of this Agreement, any failure by Folio to comply with Applicable Law or the failure to perform any activities necessary to facilitate the operation of Folio's Business by any employee of Folio, (ii) any grossly negligent act or omission to act by any employee of Folio with respect to facilitating the operation of Folio's Business, or (iii) Folio's (or its affiliates') willful misconduct or fraud.

SECTION 6.2 PMI's Indemnification. PMI shall defend, indemnify and hold the other Parties to this Agreement and their respective affiliates harmless from and against any and all Claims to which any such Party and its affiliates may become subject (including any legal or other expenses reasonably incurred by it in connection with investigating any Claim against it and defending any action and any amounts paid in settlement or compromise, provided PMI shall have given its prior written approval of such settlement or compromise, which approval shall not be unreasonably withheld or delayed) that arise, directly or indirectly, from any third party Claim arising from the operation of Folio's Business, except to the extent such Claim is a result of (i) any breach by such Party of this Agreement, (ii) any failure by such Party to comply with Applicable Law or (iii) such Party's gross negligence, willful misconduct or fraud (or the gross negligence, willful misconduct or fraud of any of such Party's employee) with respect to facilitating the operation of Folio's Business.

SECTION 6.3 PMI's Limited Indemnification. PMI shall defend, indemnify and hold the other Parties to this Agreement harmless from and against any and all Claims to which any such Party may become subject (including any legal or other expenses reasonably incurred by it in connection with investigating any Claim against it and defending any action and any amounts paid in settlement or compromise, provided PMI shall have given its prior written approval of such settlement or compromise, which approval shall not be unreasonably withheld or delayed) that arise, directly or indirectly, from any third party Claim arising from any acts or omissions of PMI, but solely under its various capacities as corporate administrator, loan servicer or platform administrator on behalf of PFL, occurring after the Changeover Date (as defined below).

SECTION 6.4 Exclusivity of Remedies. Subject to Section 2.3, absent actual fraud or willful misconduct by any of the Parties to this Agreement, and except for matters for which the remedy of specific performance, injunctive relief or other non-monetary equitable remedies are available, the indemnification rights provided above shall be the sole and exclusive remedy of the parties under this Agreement.

ARTICLE VII
MISCELLANEOUS

SECTION 7.1 Successors and Assigns. Except as set forth in ARTICLE VIII of this Agreement, no Party shall assign or transfer this Agreement or any of the rights, interests or obligations hereunder without the prior written consent of the other Parties. A purported assignment of this Agreement or any of the rights, interests or obligations hereunder not in compliance with the provisions of this Agreement shall be null and void *ab initio*.

SECTION 7.2 Cooperation. Each Party shall cooperate with the other Parties as is reasonably necessary to assist in the performance of the other Parties' obligations under this Agreement.

SECTION 7.3 Entire Agreement; Amendment. This Agreement, including the exhibits referred to herein, which are hereby incorporated in and made a part of this Agreement, constitutes the entire contract between the Parties with respect to the subject matter covered by this Agreement (other than any administration, corporate administration, loan servicing, platform administration or similar agreement entered into between PMI and PFL pursuant to which PFL appoints PMI as corporate administrator, loan servicer, platform administrator or in a similar capacity to provide certain services to PFL in relation to the New Public Offering (each such agreement, a "Services Agreement"). This Agreement supersedes all previous agreements and understandings, if any, by and between the Parties with respect to the subject matter covered by this Agreement (other than a Services Agreement). This Agreement may not be amended, changed or modified except by a writing duly executed by the Parties hereto.

SECTION 7.4 Governing Law. This Agreement, and the rights and liabilities of the Parties hereunder, shall be governed by the substantive laws of the Commonwealth of Virginia to the exclusion of its rules of conflict of laws and the parties agree to submit to the exclusive jurisdiction of the state and federal courts located in the Commonwealth of Virginia for the resolution of all disputes arising out of this Agreement or in connection with the Services.

SECTION 7.5 Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given when transmitted by facsimile during business hours with proof of confirmation from the transmitting machine, or delivered by courier or other hand delivery, as follows:

If to PMI:

Prosper Marketplace, Inc.:
111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Facsimile: 415-593-5433

Attn: General Counsel, compliance@prosper.com

If to PFL:

Prosper Funding LLC
111 Sutter Street, 22nd Floor

San Francisco, CA 94104
Facsimile: 415-593-5433

Attn: Secretary, compliance@prosper.com

If to Folio:

FOLIO*fn* Investments, Inc.
8180 Greensboro Drive
8th Floor
McLean, VA 22102

Attn: Michael Hogan, hoganm@folioinvesting.com

SECTION 7.6 Third Party Beneficiaries. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any person, firm, or corporation other than the Parties, any rights or remedies under or by reason of this Agreement.

SECTION 7.7 Force Majeure. No Party shall incur liability to the other Parties due to any delay or failure in performance hereunder caused by reason of any occurrence or contingency beyond its reasonable control, including but not limited to failure of suppliers, strikes, lockouts or other labor disputes, riots, acts of war or civil unrest, earthquake, fire, the elements or acts of God, novelty of product manufacture, unanticipated product development problems, or governmental restrictions or other legal requirements; provided, that such Party notifies the other Parties in writing immediately upon commencement of such event and makes diligent efforts to resume performance immediately upon cessation of such event.

SECTION 7.8 Severability. In the event that any provision of this Agreement is declared by any court or other judicial or administrative body of competent jurisdiction to be null, void or unenforceable, such provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement shall remain in full force and effect. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THIS AGREEMENT WHICH PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES OR EXCLUSION OF DAMAGES, IS INTENDED BY THE PARTIES TO BE SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION AND TO BE ENFORCED AS SUCH.

SECTION 7.9 Headings. The headings contained in this Agreement are for convenience only and are not a part of this Agreement, and do not in any way interpret, limit or amplify the scope, extent or intent of this Agreement, or any of the provisions of this Agreement.

SECTION 7.10 Counterparts and Facsimile. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement. Transmission of facsimile or electronic copies of signed original signature pages of this Agreement shall have the same effect as delivery of the signed originals.

ARTICLE VIII
NEW PUBLIC OFFERING

SECTION 8.1 Commencement of New Public Offering. On commencement of the New Public Offering (and written notification of such given by PMI to Folio (such commencement date being the "Changeover Date")), this Agreement shall automatically be amended as follows:

(a) Assignment of Rights. Except as set forth in Section 8.1(b)(i) and (ii), all rights duties, obligations, covenants, and representations and warranties of PMI hereunder shall be assigned by PMI to, and shall be fully assumed by, PFL. Upon such assumption, PMI shall be fully released and discharged from any and all such duties, obligations, covenants, representations and warranties to the extent relating to any period, or any acts or omissions, occurring subsequent to such assumption.

(b) References to PMI. Except as set forth in subsections (i) and (ii) below, all references to PMI in the Agreement shall be deemed to be references to PFL.

(i) All references to "PMI" in the introductory paragraph, recitals, the second paragraph of Section 1.2(c) beginning with "Upon the Changeover Date", Sections 3.1(e), 4.4(c), 6.3, 7.5, Article VIII, the signature page, and Exhibit B paragraph 10 shall not be deemed to be replaced with "PFL" but shall continue to be references to PMI.

(ii) PMI shall remain obligated to perform, and shall remain entitled to exercise, from and after the Changeover Date all obligations and rights that apply to it in its capacity as a "Party" or a "Prosper Party" as stated in this Agreement.

SECTION 8.2 Performance by PMI; Separate Entities.

(a) Folio acknowledges and agrees that after the Changeover Date (i) PMI will continue to perform its obligations under the Sections listed in Sections 8.1(b)(i) and (ii) as Party to this Agreement for and on behalf of itself, and (ii) PMI may perform, on behalf of PFL, any obligations of PFL to Folio under this Agreement (other than payment obligations), but solely in its various capacities as corporate administrator, loan servicer, platform administrator or similar capacity under any administration, corporate administration, loan servicing, system administration or similar agreement entered into between PMI and PFL pursuant to which PFL appoints PMI as corporate administrator, loan servicer, platform administrator or in a similar capacity to provide corporate administration, loan servicing, platform administration or similar services to PFL in relation to the New Public Offering.

(b) Notwithstanding Section 8.2(a), Folio acknowledges and agrees that PFL and PMI are separate legal entities and that neither Prosper Party has guaranteed the performance by the other Prosper Party of its obligations hereunder. Accordingly, Folio agrees that (i) PFL shall have no liability for the performance by PMI of its obligations, and (ii) PMI shall have no liability for the performance by PFL of its obligations.

SECTION 8.3 Limited Recourse. The obligations of PFL under this Agreement are solely the obligations of PFL. No recourse shall be had for the payment of any amount owning by PFL under this Agreement, or any other obligation of or claim against PFL arising out of or based upon this Agreement, against any organizer, member, director, officer, manager or employee of PFL or any of its Affiliates; provided, however, that the foregoing shall not relieve any such person of any liability it might otherwise have as a result of fraudulent actions or omissions taken by it. Each of Folio and PMI agrees that PFL shall be liable for any claims that it may have against PFL only to the extent that PFL has funds available to pay such claims that are not, under the indenture governing PFL's Borrower Payment Dependent Notes, allocated to the payment of such notes. "Affiliate" shall mean, with respect to a Party, a Person who directly or indirectly controls, is controlled by or is under common control with the Party. For purpose of this definition, the term "control" (including with correlative meanings, the terms controlling, controlled by and under common control with) means the power to direct the management or policies of such Person, directly or indirectly, through the ownership of twenty-five percent (25%) or more of a class of voting securities of such Person. "Person" means any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity, or other entity of similar nature.

SECTION 8.4 No Petition. Each of Folio and PMI hereby covenants and agrees that it will not institute against, or join or assist any other Person in instituting against, PFL any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other similar proceeding under the laws of any jurisdiction for one year and a day after all of the Borrower Payment Dependent Notes of PFL have been paid in full.

IN WITNESS WHEREOF, the Parties have caused their respective names to be subscribed to this Agreement as of the date and year first above written.

Prosper Marketplace, Inc.

By: /s/ Sachin Adarkar
Name: Sachin Adarkar
Title: Secretary

Prosper Funding LLC

By: /s/ Sachin Adarkar
Name: Sachin Adarkar
Title: Secretary

FOLIO*fn* Investments, Inc.

By: /s/ Michael Hogan
Name: Michael Hogan
Title: Chief Executive Officer and President

Exhibits

Exhibit A: Description of Folio Services

Exhibit B: Description of PMI Services

Exhibit C: Protection of Consumer Information

Exhibit D: Written Undertaking to Create and Maintain Certain Books and Records

Exhibit E: Marketing

Exhibit A

Description of Folio Services

1. The following process will apply to registered PMI P2P Platform members who desire to sell their Notes on the Trading Platform, or to bid to purchase other P2P Platform members' Notes on the Trading Platform:

(a) The P2P Platform member will click on a button saying the P2P Platform member will be directed to the Folio website. That landing page will be designed as mutually agreed by Folio and PMI, and will bear Folio graphics predominantly, with the PMI logo appearing lower on the page, the intent being to make it clear that a visitor has left PMI and is now engaged with Folio.

(b) The P2P Platform member will then need to become a Folio customer and/or receive Folio authorization to access the Trading Platform by entering his or her relevant information (name, social security number, address, birth date, etc.). Folio will take that information and run its own OFAC search and make an immediate decision as to whether to create an account or provide Trading Platform access for the P2P Platform member.

(c) To become a Folio customer and/or to receive Folio authorization to access the Trading Platform, P2P Platform members must accept Folio's legal agreements, and receive specified Note Trading Platform Disclosures. Once a P2P Platform member becomes a Folio customer and/or receives Folio authorization to access the Trading Platform, the P2P Platform member can sell his or her own Notes on the Trading Platform, or buy other P2P Platform members' Notes offered for sale on the Trading Platform. Notes sold and purchased may correspond to PMI borrower loans, or to open market (i.e., previously-funded) loans issued by other financial institutions.

2. On the day following the close of the auction bidding period for a Note offered for sale on the Trading Platform the following process will occur:

(a) PMI relinquishes custody and control of the electronic original of the Note to Folio, such that ownership of the Note can only be transferred at Folio's direction.

(b) PMI transfers funds in the amount of the purchase price from the Note buyer's PMI funding account to Folio's Wells Fargo account for customer funds.

(d) Assuming each Folio client's instructions for the preceding action have been obtained, Folio transfers 99% of sale proceeds (retaining their 1% fee), less any Applicable Withholding (as defined below), to PMI, which PMI places, at Folio's instruction, in the selling P2P Platform member's Folio Note trading account.

(c) PMI, acting as a "good control location" for Folio, at Folio's instruction, transfers ownership of the Note from the selling P2P Platform member to the buying P2P Platform member, and such transfer shall be reflected in the respective selling P2P Platform member's and buying P2P Platform member's Note trading account at Folio.

(e) Assuming each Folio client's instructions for the preceding action have been obtained, PMI, at Folio's instruction, transfers the Notes from the "good control location" buying P2P Platform member's Note trading account to the buying P2P Platform member's PMI account.

3. Folio's telephone number and email address will be displayed on the Trading Platform web pages, and all customer service questions relating to the Trading Platform will be received by or directed to Folio. PMI will maintain all records of the transactions in a separate database, on Folio's behalf, that Folio may query on its own.

Exhibit 10.2

Exhibit B

Description of PMI Services

On behalf of Folio, PMI agrees to perform the following services:

New Account Opening

1. PMI will collect and pass electronically to Folio information regarding prospective Folio customers via an online automated process, as required by Folio and in the form determined by Folio, necessary to open a customer account with Folio and/or grant access to the Trading Platform. Folio will review such information and in its sole discretion approve all new accounts prior to opening or all new requests for Trading Platform access.

2. PMI will collect and pass electronically to Folio such information from prospective Folio customers, as required by Folio, and in the form agreed to by Folio, relating to anti-money laundering and customer identification laws, rules and regulations, to permit Folio to conduct its anti-money laundering and customer identification programs.

Creation and Maintenance of Books and Records

1. The books and records to be created and maintained for the specified period of time by the Prosper Parties on behalf of Folio (collectively "Books and Records"), in the medium agreed to by Folio and the Prosper Parties, shall be as follows:

(a) A memorandum of each order, and of any other instruction given to Folio or received by Folio for the purchase or sale of Notes, whether executed or unexecuted, including the terms and conditions of the order or instructions and of any modification or cancellation thereof and the movement of funds related to such order, the account for which the order or instruction was entered, the time the order or instruction was received, the time of entry, the price at which executed, a notation indicating that a customer entered the order or instruction on an electronic system, and, to the extent feasible, the time of execution or cancellation (must be preserved for a period of not less than ten (10) years, the first two (2) years in an easily accessible place);

(b) Copies of confirmations of all purchases and sales of Notes for the account of Folio customers (must be preserved for a period of not less than ten (10) years, the first two (2) years in an easily accessible place);

(c) A record of any written (to include email) communications from a Folio customer sent to a Prosper Party's address including specifically any communications expressing any complaint (must be preserved in an easily accessible place until at least ten (10) years after the earlier of the date the account was closed or the date on which the information was replaced or updated).

2. Under no circumstances shall either Prosper Party destroy, delete or otherwise eliminate any or all or any part of such Books and Records without the prior written approval of Folio.

3. At all times, the Books and Records, including all copies thereof, whether electronic or otherwise, are the property of Folio and, as such, will be surrendered to Folio promptly upon Folio's request.

4. Each Prosper Party hereby undertakes to permit examination of such Books and Records as are maintained by it at any time or from time to time during business hours by representatives or designees of the SEC or relevant SRO, and to promptly furnish to said SEC or relevant SRO or their designee true, correct, complete and current hard copies of any or all or any part of such Books and Records.

5. Folio and each Prosper Party acknowledges that the Agreement shall not relieve Folio from the responsibility to prepare and maintain such Books and Records as specified in Exchange Act Rule 17a-4(i) or in Rule 17a-3.

6. To the extent that a Prosper Party receives a demand from any Governmental Authority or is otherwise required by operation of law to permit examination of or to furnish a copy of any or all or any part of such Books and Records, such Prosper Party must immediately notify Folio.

7. The Prosper Parties, as applicable, shall maintain and preserve the Books and Records in electronic form in accordance with the electronic storage media requirements outlined in Exchange Act Rule 17a-4(f)(2). Specifically the electronic storage media must: (a) preserve the records exclusively in a non-rewriteable, non-erasable format; (b) verify automatically the quality and accuracy of the storage media recording process; (c) serialize the original and, if applicable, duplicate units of storage media, and time-date for the required period of retention the information placed on such electronic storage media; and (d) have the capacity to readily download indexes and records preserved on the electronic storage media as agreed to between the parties, as required by the SEC or the SRO of which Folio is a member.

8. The Prosper Parties, as applicable, shall,

(a) at all times have available, for examination by Folio, the staffs of the SEC and any SRO of which Folio is a member, facilities for immediate, easily readable projection or production of electronic storage media images of the Books and Records and facilities for producing easily readable images of the Books and Records;

(b) be ready at all times to provide, and immediately provide, any facsimile enlargement which Folio, the staffs of the SEC, any SRO of which Folio is a member, or any State securities regulator having jurisdiction over Folio may request;

(c) store separately from the original, a duplicate copy of the Books and Records for the specified period of time in the specified electronic storage format;

(d) organize and index accurately all Books and Records maintained on both original and any duplicate storage media. At all times, the Prosper Parties, as applicable, shall make available such indexes for examination by Folio, the staffs of the SEC and any SRO of which Folio is a member. Each index must be duplicated and the duplicate copies must be stored separately from the original copy of each index and the original and duplicate indexes must be preserved for a period of not less than ten (10) years, the first two (2) in an easily accessible place;

(e) have in place an audit system providing for accountability regarding the inputting of Books and Records to electronic storage media and inputting of any changes made to every original and duplicate record of the Books and Records. At all times, the Prosper Parties, as applicable, must be able to have the results of such audit system available for examination by Folio, the staffs of the SEC and any SRO of which Folio is a member. Further, the audit results must be preserved for a period of not less than ten (10) years, the first two (2) in an easily accessible place; and

(f) keep current, and provide promptly upon request by Folio, the staffs of the SEC and any SRO of which Folio is a member all information necessary to access records and indexes stored on the electronic storage media; or place in escrow and keep current a copy of the physical and logical file format of the electronic storage media, the field format of all Books and Records written on the electronic storage media and the source code, together with the appropriate documentation and information necessary to access records and indexes.

9. Annually, Folio (or a third party auditor) may review the audit system established by the Prosper Parties pursuant to this Agreement for the purpose of ascertaining the effectiveness of such audit system for accountability regarding inputting of the Books and Records and inputting of any changes made to every original and duplicate record.

10. PMI shall, prior to the Effective Date of the Agreement, enter into a contract ("Contract") with at least one third party, who shall have access to and the ability to download information from either Prosper Party's electronic storage media, maintained on behalf of Folio, to any medium permitted under Section 17(a) of the Exchange Act and Rule 17a-4 there under. Folio shall be specified in such Contract as a third party beneficiary of such Contract. Such Contract between PMI and such third party(ies) shall include the following undertakings, and shall require the third party, upon execution of the Contract, to submit the following undertakings to the Financial Industry Regulatory Association, Inc. at a place to be designated by Folio:

(a) [Name of Third Party] hereby undertakes to furnish promptly to FOLIO*fn* Investments, Inc. ("Folio"), the U.S. Securities and Exchange Commission ("Commission"), its designees or representatives, any self-regulatory organization of which Folio is a member, or any State securities regulator having jurisdiction over Folio, upon reasonable request, such information as is deemed necessary by Folio, the staffs of the Commission, any self-regulatory organization of which Folio is a member, or any State securities regulator having jurisdiction over Folio to download information kept on either Prosper Marketplace, Inc.'s or Prosper Funding LLC's (the "Prosper Parties") electronic storage media, maintained on behalf of Folio, to any medium acceptable under Securities Exchange Act of 1934 Rule 17a-4.

(b) Furthermore, [Name of Third Party] hereby undertakes to take reasonable steps to provide access to information contained on either Prosper Party's electronic storage media, maintained on behalf of Folio, including, as appropriate, arrangements for the downloading of any record required to be maintained and preserved by Folio pursuant to Rules 17a-3 and 17a-4 under the Securities Exchange Act of 1934 in a format acceptable to the staffs of the Commission, any self-regulatory organization of which Folio is a member, or any State securities regulator having jurisdiction over Folio. Such arrangements will provide specifically that in the event of a failure on the part of the applicable Prosper Party on behalf of Folio to download the record into a readable format and after reasonable notice to such Prosper Party acting on behalf of Folio, upon being provided with the appropriate electronic storage medium, [Name of Third Party] will undertake to do so, as the staffs of the Commission, any self-regulatory organization of which Folio is a member, or any State securities regulator having jurisdiction over Folio may request.

11. All Folio files and records shall be maintained segregated, separate and apart from the files and records of either of the Prosper Parties.

Good Control Location for Purposes of Rule 15c3-3 under the Exchange Act

1. Each Prosper Party, as a "good control location" for Folio in compliance with Rule 15c3-3 under the Exchange Act, will maintain records regarding the uncertificated Notes issued by such Prosper Party and held by Folio Customers.

2. Each Prosper Party shall ensure and warrant that the Notes held in each Folio Customer's account are not subject to any right, charge, security interest, lien, or claim of any kind in favor of such Prosper Party or any person claiming through such Prosper Party.

3. As part of the Books and Records, the Prosper Parties, as applicable, shall maintain separate records on behalf of Folio that reflect all positions in the Notes in each Folio Customer's account.

Trade Confirmations and Monthly Statements for Folio Customers

PMI shall provide trade confirmations and monthly account statements on behalf of Folio to Folio customers with Folio approved Trading Platform access for all activities on the Trading Platform substantially in the form required by Folio. Such trade confirmations and monthly account statements will be provided to each Folio customer by electronic delivery.

Withholding and Information Reporting

1. PMI and Folio agree that concurrent with the transfer of funds contemplated under Section 2(b) of Exhibit A, PMI shall inform Folio of any withholding or backup withholding applicable to the proceeds from the purchase and sale of a Note ("Applicable Withholding") under applicable United States federal tax laws (the "Tax Laws").

2. PMI will provide Folio securities sales and cost basis information for Folio to prepare the Internal Revenue Service Form 1099-Bs required to be filed under applicable Tax Laws in connection with each purchase and sale of a Note (the "1099s"). Folio shall prepare, or cause to be prepared, the 1099s. Folio will send PDFs of 1099s to PMI to distribute to Note Trader clients through an online "filing cabinet" feature. PMI shall deliver the 1099s to the IRS on behalf of Folio within a period of time reasonably calculated to allow Folio to comply with its obligations to file such 1099s with the Internal Revenue Service and provide such 1099s to the selling P2P Platform members.

3. Folio and PMI agree that clients subject to withholding taxes will not have access to the Note Trader platform. Folio and PMI agree to develop a process for existing Note Trader clients that become subject to withholding retroactively, after becoming a Note Trader client.

Error Correction

On behalf of, and for the benefit of, Folio, PMI shall use commercially reasonable efforts to assist Folio in correcting transaction errors by assigning an initial severity category to the error in accordance with the description set out below ("Service Levels"):

Category	Definition	Target Action
1-Critical	Production use of any of the Software is not possible and no reasonable workaround exists. Folio requires resolution urgently due to financial, legal, and public risk.	Initial response within two hours of notice. Resource assigned immediately thereafter and remains assigned until resolution.
2-Severe	Production use of any of the Software is possible, but a business function is disabled and no reasonable workaround exists. This category also applies to errors and problems that severely impact the progress of an implementation project where no reasonable workaround exists.	Initial response within one business day of notice. Resource assigned within one business day thereafter and remains until resolution.
3-Medium	Production use of any of the Software is possible, but a workaround is unacceptable for more than a short period due to frequency of the affected function's usage and the criticality of the function. This category also applies to errors and problems that severely impact implementation projects where there is an unacceptable long-term workaround.	Initial response within two (2) business days of notice. Resource assigned within one (1) business day of initial response. Target resolution: 80% within 20 business days, the remainder resolved within 60 business days.
4-Low	All others. Production and/or implementation is not impacted severely for one of the following reasons: A. A reasonably acceptable workaround exists; B. The error or problem is resolved onsite; C. The error or problem is not severe; or D. The extent of the error or problem is limited.	Response and resolution as time permits or indefinitely postponed. Any resolutions made available as part of next scheduled Update.

A new severity category to the error may be assigned, after research, if the initial description was not accurate or after provision of a reasonable workaround if the provision of the workaround lessens the severity of the error.

Email Reporting System

PMI shall maintain an email reporting system that permits Folio customers to report errors and seek assistance with the use of any of the Software, and Folio shall monitor and respond to such reports and requests for assistance in accordance with the Service Levels.

Customer Service

PMI shall publish a telephone number and link to Folio's customer service department that allows Folio customers to contact Folio's customer service department for questions relating to Folio's Business.

Scope

PMI shall provide PMI Services for the then-current version of the Software.

Exhibit C

Protection of Consumer Information

For purposes of complying with their obligations relating to the protection of consumer personal information, if any, each Party represents, warrants and covenants to the others that:

(a) it will process, use, maintain and disclose personal information only as necessary for the specific purpose for which this information was disclosed to it and only in accordance with the terms of this Agreement;

(b) subject to ARTICLE IV of the Agreement it will not disclose any personal information to any third party (including to the subject of such information) or any employee, agent or representative who does not have a need to know such personal information;

(c) it will implement and maintain an appropriate security program to (a) ensure the security and confidentiality of all information provided to it by the disclosing Party, including personal information (collectively, the "Confidential Information" as such term is defined in Section 4.1 of this Agreement), (b) protect against any threats or hazards to the security or integrity of the Confidential Information, including unlawful destruction or accidental loss, alteration and any other form of unlawful processing and (c) prevent unauthorized access to, use or disclosure of the Confidential Information;

(d) it will immediately notify the disclosing Party in writing if it becomes aware of (a) any disclosure or use of any of the Confidential Information by it or any of its employees, agents or representatives in breach of this Agreement, (b) any disclosure of any Confidential Information to it or its employees, agents or representatives where the purpose of such disclosure is not known, and (c) any request for disclosure or inquiry regarding the Confidential Information from a third party;

(e) it will cooperate with the disclosing Party and the relevant supervisory authority in the event of any apparent unauthorized access to or use of Confidential Information, litigation or a regulatory inquiry concerning the Confidential Information, provided, however, it will not communicate with the disclosing Party's customers or members concerning a security breach unless required by applicable law without the written consent of the disclosing Party;

(f) it will enter into further agreements as reasonably requested by the disclosing Party to comply with Applicable Law from time to time; and

(g) it will cause any employee, agent or representatives to act in accordance with this Exhibit C.

The provisions of this Exhibit supplement are in addition to, and will not be construed to limit, any other confidentiality obligations under the Agreement. For purposes of this Agreement, "personal consumer information" means personally identifiable information about or relating to any former or current members of the either Prosper Party's P2P Platform and any Folio customer or person granted access to the Trading Platform, in each case, that a Party receives or otherwise has access to; provided, however, personally identifiable information independently obtained by either Prosper Party about that Prosper Party's P2P Platform member or independently obtained by Folio about any Folio customer or person granted access to the Trading Platform shall be excluded from the definition of "personal consumer information" with respect to the relevant Party for purposes of the Agreement.

Exhibit D

Written Undertaking to Maintain Certain Books and Records

[Date]

Securities and Exchange Commission

RE: Written Undertaking to Maintain Certain Books and Records on behalf of FOLIO*fn* Investments, Inc.

Pursuant to Section 17(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act") and Rules 17a-3 and 17a-4 promulgated there under, FOLIO*fn* Investments, Inc. ("Firm") is required to create, maintain and preserve (or contract with a third party to create, maintain and preserve) certain books and records for prescribed periods of time. Accordingly, the undersigned undertakes to maintain such books and records on behalf of the Firm and stipulates that:

1. At all times, such books and records, including all copies thereof, whether electronic or otherwise, are the property of the Firm and, as such, will be surrendered to the Firm promptly upon the Firm's request.

2. With respect to the books and records maintained or preserved on behalf of the Firm, the undersigned hereby undertakes to permit examination of such books and records at any time or from time to time during business hours by representatives or designees of the Securities and Exchange Commission ("Commission"), and to promptly furnish to said Commission or its designee true, correct, complete and current hard copies of any or all or any part of such books and records.

3. The agreement between the Firm and the undersigned shall not relieve the Firm from the responsibility to prepare and maintain records as specified in Exchange Act Rule 17a-4(i) or in Rule 17a-3.

Sincerely,

Prosper Marketplace, Inc.

By

Name:

Title:

Exhibit D-1

Written Undertaking to Maintain Certain Books and Records

[Date]

Securities and Exchange Commission

RE: Written Undertaking to Maintain Certain Books and Records on behalf of FOLIO*fn* Investments, Inc.

Pursuant to Section 17(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act") and Rules 17a-3 and 17a-4 promulgated there under, FOLIO*fn* Investments, Inc. ("Firm") is required to create, maintain and preserve (or contract with a third party to create, maintain and preserve) certain books and records for prescribed periods of time. Accordingly, the undersigned undertakes to maintain such books and records on behalf of the Firm and stipulates that:

1. At all times, such books and records, including all copies thereof, whether electronic or otherwise, are the property of the Firm and, as such, will be surrendered to the Firm promptly upon the Firm's request.

2. With respect to the books and records maintained or preserved on behalf of the Firm, the undersigned hereby undertakes to permit examination of such books and records at any time or from time to time during business hours by representatives or designees of the Securities and Exchange Commission ("Commission"), and to promptly furnish to said Commission or its designee true, correct, complete and current hard copies of any or all or any part of such books and records.

3. The agreement between the Firm and the undersigned shall not relieve the Firm from the responsibility to prepare and maintain records as specified in Exchange Act Rule 17a-4(i) or in Rule 17a-3.

Sincerely,

Prosper Funding LLC

By _____

Name: _____

Title:

Exhibit E

Marketing

1. Folio will send one email per quarter to those PMI P2P Platform members who opened an account with Folio in order to become a trading member and participate in the Trading System to inform them of the availability of other Folio services and sites.

2. Folio will be included in PMI's promotions about PMI's secondary market.

3. A logo and link to the Folio Note Trader platform will be included on PMI's help page (http://www.prosper.com/help/).

4

5. PMI will put Folio Investing links on appropriate pages. Any link will have anchor text only, no key words.

6. Folio landing pages will go to Folio Investing Note Trader. In circumstances where Folio requests a link to a general Folio Investing Landing Page, PMI must review and approve.

7. Folio Investing Note Trader pages to include the standard Folio Investing footer statement and may include any and all links found in the Folio site map as found on the main Folio retail web site at www.folioinvesting.com.

8. Folio will have final approval on all Folio placements or changes.

9. Folio reserves the right to make changes to all Folio treatments and placements within the "Invest" tab at any time, acknowledging PMI's release schedule and in compliance with PMI's approval.

Exhibit 10.3

AMENDED AND RESTATED HOSTING SERVICES AGREEMENT

This Amended and Restated Hosting Services Agreement (the "Agreement") among Prosper Marketplace, Inc., a Delaware corporation ("PMI"), Prosper Funding LLC, a Delaware limited liability company and wholly-owned subsidiary of PMI ("PFL"), and FOLIO*fn* Investments, Inc. ("Customer") is dated January 24, 2013 (the "Effective Date"). As used in this Agreement, "Party" means PMI, PFL or Customer; "Parties" means PMI, PFL, and Customer; "Prosper Party" means PMI or PFL; and "Prosper Parties" means PMI and PFL.

1. Overview.

1.1. **General**. This agreement states the terms and conditions by which PMI will deliver and Customer will receive the Service provided by PMI, including facilities, bandwidth and managed services. The specific service to be provided hereunder (the "Service") is identified in Schedule A, hereby incorporated by reference into this Agreement.

1.2 **Public Offering.** PMI has filed a Registration Statement on Form S-1 with the Securities and Exchange Commission (the "SEC") and has filed similar registration statements at the state level, pursuant to which PMI issues and sells notes, the payments of which are tied to the payments made by borrowers on loans owned by PMI. PMI wishes to provide its note purchasers with greater protection against the possibility of PMI becoming insolvent by having PFL, rather than PMI, sell notes tied to payments made by borrowers on loans owned by PFL. PFL has therefore filed a Registration Statement on Form S-1 with the SEC and has filed similar registration statements at the state level, pursuant to which PFL will offer and sell notes, the payments of which will be tied to the payments made by borrowers on loans owned by PFL (the "New Public Offering"). In connection with the commencement of the New Public Offering, PMI and PFL will enter into an agreement pursuant to which PMI will contribute to PFL all of the borrower loans owned by PMI, all of the borrower payment dependent notes issued by PMI, and the on-line peer-to-peer lending platform used to originate borrower loans and issue borrower payment dependent notes (the "P2P Platform").

1.3. **Definitions**.

(a) "Customer Technology" means Customer's proprietary technology, including Customer's internet operations design, content, software tools, hardware designs, algorithms, software (in source and object forms), user interface designs, architecture, class libraries, objects and documentation (both printed and electronic), know-how, trade secrets and any related intellectual property rights throughout the world (whether owned by Customer or licensed to Customer from a third party) and also including any derivatives, improvements, enhancements or extensions of Customer Technology conceived, reduced to practice, or developed during the term of this Agreement by Customer.

(b) "Internet Data Center(s)" means any of the facilities used by either Prosper Party to provide the Service.

(c) "PMI Technology" means PMI's proprietary technology, including PMI services, software tools, hardware designs, algorithms, software (in source and object forms), user interface designs, architecture, class libraries, objects and documentation (both printed and electronic), network designs, know-how, trade secrets and any related intellectual property rights throughout the world (whether owned by PMI or licensed to PMI from a third party) and also including any derivatives, improvements, enhancements or extensions of PMI Technology conceived, reduced to practice, or developed during the term of this Agreement by a Party.

(d) "PFL Technology" means PFL's proprietary technology, including PFL services, software tools, hardware designs, algorithms, software (in source and object forms), user interface designs, architecture, class libraries, objects and documentation (both printed and electronic), network designs, know-how, trade secrets and any related intellectual property rights throughout the world (whether owned by PFL or licensed to PFL from a third party) and also including any derivatives, improvements, enhancements or extensions of PFL Technology conceived, reduced to practice, or developed during the term of this Agreement by a Party.

(e) "Rules And Regulations" means the PMI general rules and regulations governing Customer's use of the Service, including, but not limited to, on line conduct.

2. **Delivery of Services; Term; Exclusivity and Notice**.

2.1. **Delivery of Services**. Customer agrees to take, and PMI agrees to provide, the Service during the Initial Term and for any period thereafter, as specified in paragraph 2.2 below.

2.2. **Condition to Agreement and Term**.

(a) **State Registration**. The Parties understand and agree that bids from PMI P2P Platform members authorized by Customer to access the marketplace for the secondary trading of notes may only be made by residents of a state that either has declared PMI's registration statement effective or has an exemption from registration that is applicable to such activity; provided, however, that before Customer will allow bids from PMI P2P Platform members in the marketplace for the secondary trading of notes by residents of a state that has an exemption from registration that is applicable to such activity, PMI must provide Customer a certification by its General Counsel or Secretary attesting to the availability of the exemption.

(b) **Term**. Unless earlier terminated in accordance with Section 10, the initial term of this Agreement shall begin on the Effective Date and shall continue for a period of one year ("Initial Term").

(c) **Renewal Term**. On the first anniversary of the Effective Date and each anniversary date thereafter, this Agreement shall automatically successively renew for a period of one (1) year each (each a "Renewal Term") unless prior to expiration of the Initial Term or a Renewal Term PMI or Customer provides thirty (30) days' written notice to the other Parties of its intent not to renew, or unless earlier terminated in accordance with Section 10. The Initial Term and any Renewal Term shall be collectively referred to herein as the "Term".

2.3. **Exclusivity**. The Parties acknowledge that Customer has developed an alternative trading system for notes or securities and that it is constantly modifying that system. The Parties agree that Customer (or any affiliate of Customer) may, in its sole discretion, operate an alternative trading system (or similar exchange or system) for the trading of notes or securities by members, participants, subscribers (or persons of a similar nature) of an Internet-based peer-to-peer lending platform (howsoever described) that directly or indirectly competes with either or both of the Prosper Parties.

3. **Fees**. PMI shall provide the Service to Customer during the Term of this Agreement for no charge.

4. **Confidential Information; Intellectual Property Ownership.**

4.1. **Confidential Information**.

(a) **Customer's Confidentiality Obligation**. For so long as this Agreement remains in effect and for a period of ten (10) years after any expiration or termination of this Agreement, Customer agrees that it and its managers, employees, consultants, agents and advisors shall treat confidentially and not disclose, or permit any affiliate of it or their respective advisors, employees, agents or representatives to disclose, to any third party any non-public or proprietary information received from or on behalf of either or both of the Prosper Parties or about either or both of the Prosper Parties ("Confidential Information"). Confidential Information will include all information in tangible or intangible form that is marked or designated as confidential or that, under the circumstances of its disclosure, should be considered confidential. Confidential Information also will include, but not be limited to, PMI Technology, PFL Technology, Customer Technology, and the terms and conditions of this Agreement. Further, for the avoidance of doubt, such Confidential Information shall include any personally identifiable information about any P2P Platform member, excluding personally identifiable information received by Customer in the course of establishing or maintaining access to the Trading Platform or a brokerage account for any such person or relating to executing a transaction for any such person. Customer agrees not to use such Confidential Information for any purpose other than for the purposes contemplated under this Agreement, without obtaining the prior written consent of the disclosing Prosper Party, except (i) portions of such information that are or become generally available to the public other than as a result of disclosure by Customer in violation of this Agreement, (ii) portions of such information received on a non-confidential basis from a third party who, to such recipient's knowledge, is not prohibited from disclosing the information pursuant to a confidentiality agreement with, or fiduciary obligations to, the disclosing Prosper Party, and (iii) for the purpose of making any disclosures required by applicable law. In the event that such Confidential Information is disclosed in accordance with this paragraph, Customer agrees to contractually require each person to whom it has provided such Confidential Information as expressly permitted hereunder or with the prior written consent of the disclosing Prosper Party to keep such information confidential and to use and disclose it only in connection with its performance under this Agreement.

(b) **Prosper Parties' Confidentiality Obligation**. For so long as this Agreement remains in effect and for a period of ten (10) years after any expiration or termination of this Agreement, each Prosper Party agrees that it and its directors, employees, consultants, agents, representatives and advisors shall treat confidentially and will not disclose to any third party any Confidential Information received from or on behalf of Customer or any of its affiliates, or use such Confidential Information for any purpose other than providing the Service or for the fulfillment of such Prosper Party's obligations under this Agreement without obtaining the prior written consent of Customer, except (i) portions of such information that are or become generally available to the public other than as a result of disclosure by a Prosper Party in violation of this Agreement, (ii) portions of such information received on a non-confidential basis from a third party who, to such recipient's knowledge, is not prohibited from disclosing the information pursuant to a confidentiality agreement with, or fiduciary obligations to, Customer, and (iii) for the purpose of making any disclosures required by applicable law. For the avoidance of doubt, Customer's Confidential Information shall include any personally identifiable information provided by an individual or entity to Customer or either Prosper Party solely for the purpose of accessing the ATS or opening a brokerage account through Customer.

(c) **Permitted Disclosure**. Notwithstanding paragraphs (a) and (b) above, a Party may disclose Confidential Information received from another Party if:

(i) such information is disclosed, in compliance with applicable law, by the receiving Party to its advisors, representatives, agents and employees, acting in their capacity as such, who have a need to know such Confidential Information in connection with the performance of this Agreement; provided, however, that such advisors, representatives, agents and employees shall be required to agree to abide by the requirements of this Section 4.1 and the receiving Party shall be liable to the disclosing Party for any breach of these requirements by its advisors, employees, agents and representatives; or

(ii) a Party determines that it is required by applicable law to disclose information not otherwise permitted to be disclosed pursuant hereto. In advance of any such disclosure (to the extent legally permitted and reasonably practicable), the receiving Party shall consult with the disclosing Party regarding such disclosure and seek confidential treatment for such portions of the disclosure as may be requested by the disclosing Party. Such receiving Party shall have no liability hereunder if, prior to the required disclosure, the receiving Party receives a written opinion from its counsel opining that such disclosure is required by law or regulation. In addition, notwithstanding any other provision of this Agreement, any Party shall be permitted to file a copy of this Agreement with any governmental authority or securities regulatory body, as necessary.

(iii) Notwithstanding any provisions of this Agreement to the contrary, PFL agrees that PMI may use, retain and disclose all Confidential Information of PFL obtained by PMI without regard to the provisions of this Section 4.1.

(d) **Damages Not an Adequate Remedy**. Without prejudice to any other rights or remedies of a Party, the Parties acknowledge and agree that damages would not be an adequate remedy for any breach of this Section 4.1 and the remedies of prohibitory injunctions and other relief are appropriate and may be sought for any threatened or actual breach of any provision of this Section 4.1. No proof of special damages shall be necessary for the enforcement of any Party's rights under this Section 4.1.

4.2. **Intellectual Property**.

(a) **Ownership**. Except for the rights expressly granted herein, this Agreement does not transfer from PMI or PFL to Customer any PMI Technology or PFL Technology, and all right, title and interest in and to PMI Technology and PFL Technology will remain solely with PMI and PFL, respectively. Except for the rights expressly granted herein, this Agreement does not transfer from Customer to either Prosper Party any Customer Technology, and all right, title and interest in and to Customer Technology will remain solely with Customer. Each Prosper Party agrees that it will not, directly or indirectly, reverse engineer, decompile, disassemble or otherwise attempt to derive source code or other trade secrets from Customer. Customer agrees that it will not, directly or indirectly, reverse engineer, decompile, disassemble or otherwise attempt to derive source code or other trade secrets from either Prosper Party.

(b) **General Skills and Knowledge**. Notwithstanding anything to the contrary in this Agreement, no Party will be prohibited or enjoined at any time from utilizing any skills or knowledge of a general nature acquired during the course of providing or receiving the Service, including, without limitation, information publicly known or available or that could reasonably be acquired in similar work performed for another.

5. **Prosper Party Representations and Warranties**.

5.1. **General**. Each Prosper Party represents and warrants that (a) it has the legal right to enter into this Agreement and perform its obligations hereunder, and (b) the performance of its obligations and delivery of the Service to Customer will not violate any applicable U.S. laws or regulations or cause a breach of any agreements with any third parties.

5.2. **Service Performance Warranty**. PMI warrants that it will perform the Service in a manner consistent with industry standards reasonably applicable to the performance thereof.

5.3. **No Other Warranty**. Except for the express warranties set forth in this Section 5, the Service is provided on an "as is" basis, and Customer's use of the Service is at its own risk. PMI does not make, and hereby disclaims, any and all other express and/or implied warranties, including, but not limited to, warranties of merchantability, fitness for a particular purpose, noninfringement and title, and any warranties arising from a course of dealing, usage, or trade practice. PMI does not warrant that the Service will be uninterrupted, error-free, or completely secure.

5.4. **Disclaimer of Actions Caused by and/or Under the Control of Third Parties**. PMI does not and cannot control the flow of data to or from PMI's network and other portions of the internet. Such flow depends in large part on the performance of internet services provided or controlled by third parties. At times, actions or inactions of such third parties can impair or disrupt Customer's connections to the internet (or portions thereof). Although PMI will use commercially reasonable efforts to take all actions it deems appropriate to remedy and avoid such events, PMI cannot guarantee that such events will not occur. Accordingly, PMI disclaims any and all liability resulting from or related to such events.

6. **Customer Obligations**.

6.1. **Warranties of Customer**.

(a) **General**. Customer represents and warrants that the performance of its obligations and use of the Service (by Customer, its customers and users) will not violate any applicable laws, regulations or the Rules and Regulations or cause a breach of any agreements with any third parties.

(b) **Breach of Warranties**. In the event of any material breach of the foregoing warranty, in addition to any other remedies available at law or in equity, PMI will have the right, in its sole reasonable discretion, to suspend immediately the Service if deemed reasonably necessary by PMI to prevent any harm to PMI and its business. PMI will provide notice and opportunity to cure if practicable depending on the nature of the breach. Once cured, PMI will promptly restore the Service.

6.2. **Compliance With Law and Rules and Regulations**. Customer agrees that it will use the Service only for lawful purposes and in accordance with this Agreement. Customer will comply at all times with all applicable laws and regulations and the Rules and Regulations, as updated by PMI from time to time. The Rules and Regulations are incorporated herein and made a part hereof by this reference. PMI may change the Rules and Regulations upon fifteen (15) days' written notice to Customer. Customer agrees that it has received, read and understands the current version of the Rules and Regulations. The Rules and Regulations contain restrictions on Customer's and Customer's users' online conduct (including prohibitions against unsolicited commercial email) and contain financial penalties for violations of such restrictions. Customer agrees to comply with such restrictions and shall use commercially reasonable efforts to cause Customer's users to comply with such restrictions. Customer acknowledges that PMI exercises no control whatsoever over the content of the information passing through Customer's site(s).

6.3. **Restrictions on Use of Services**. Customer shall not resell the Service to any third parties.

7. Insurance.

7.1. **Prosper Minimum Levels**. PMI agrees to keep in full force and effect during the term of this Agreement: (i) comprehensive general liability insurance in an amount standard for the industry and appropriate to cover its liabilities hereunder and (ii) workers' compensation insurance in an amount not less than that required by applicable law.

7.2 PMI agrees that it will ensure and be solely responsible for ensuring that its contractors and subcontractors maintain insurance coverage at levels no less than those required by applicable law and customary in PMI's and its agents' industries.

8. **Limitations of Liability**.

8.1. **Consequential Damages Waiver**. In no event will any Party be liable or responsible to another Party for any type of incidental, punitive, indirect or consequential damages, including, but not limited to, lost revenue, lost profits, replacement goods, loss of technology, rights or services, loss of data, or interruption or loss of use of service or equipment, even if advised of the possibility of such damages, whether arising under theory of contract, tort (including negligence), strict liability or otherwise.

8.2. **Basis of the Bargain; Failure of Essential Purpose**. The Parties acknowledge that they each entered into this Agreement in reliance upon the limitations of liability and the disclaimers of warranties and damages set forth herein, and that the same form an essential basis of the bargain between the Parties. The Parties agree that the limitations and exclusions of liability and disclaimers specified in this Agreement will survive and apply even if found to have failed of their essential purpose.

9. **Indemnification**.

9.1. **Customer's Indemnification of the Prosper Parties**. Customer shall defend, indemnify and hold each of the Prosper Parties and their affiliates harmless from and against any and all claims, demands, causes of action, or suits of any nature or character based on any legal theory, including products liability, strict liability, violation of any federal, state or local law, rule or regulation, or the sole or concurrent negligence of any person ("Claims") to which either or both of the Prosper Parties may become subject (including any legal or other expenses reasonably incurred by it in connection with investigating any Claim against it and defending any action and any amounts paid in settlement or compromise, provided Customer shall have given its prior written approval of such settlement or compromise, which approval shall not be unreasonably withheld or delayed) that arise, directly or indirectly, from (i) any third party Claim resulting from any breach by Customer (or its affiliates) of this Agreement or the failure to perform any activities necessary under this Agreement by any employee of Customer, (ii) any grossly negligent act or omission to act by any employee of Customer relating to any activities, if any, performed under this Agreement, or (iii) Customer's (or its affiliates') willful misconduct or fraud.

9.2. **PMI's Indemnification**. PMI shall defend, indemnify and hold the other Parties to this Agreement and their respective affiliates harmless from and against any and all Claims to which such Party and its affiliates may become subject (including any legal or other expenses reasonably incurred by it in connection with investigating any Claim against it and defending any action and any amounts paid in settlement or compromise, provided PMI shall have given its prior written approval of such settlement or compromise, which approval shall not be unreasonably withheld or delayed) that arise, directly or indirectly, from any third party Claim arising from any activities by such Party, such Party's affiliates or such Party's employees or agents relating to this Agreement (including, for the avoidance of doubt, any action or claim brought by a regulator or self-regulatory organization under federal or state securities laws, rules or regulations), except to the extent such Claim is a result of such Party's gross negligence, willful misconduct or fraud (or the gross negligence, willful misconduct or fraud of any such Party employee) with respect to this Agreement.

9.3. **PMI's Limited Indemnification.** PMI shall defend, indemnify and hold the other Parties to this Agreement harmless from and against any and all Claims to which such Party may become subject (including any legal or other expenses reasonably incurred by it in connection with investigating any Claim against it and defending any action and any amounts paid in settlement or compromise, provided PMI shall have given its prior written approval of such settlement or compromise, which approval shall not be unreasonably withheld or delayed) that arise, directly or indirectly, from any third party Claim arising from any acts or omissions of PMI, solely in its various capacities as corporate administrator, loan servicer or platform administrator on behalf of PFL, occurring after the Changeover Date (as defined below).

9.4. **Exclusivity of Remedies**. Subject to Sections 4.1(d) and 8, absent actual fraud or willful misconduct by any of the Parties to this Agreement, and except for matters for which the remedy of specific performance, injunctive relief or other non-monetary equitable remedies are available, the indemnification rights provided above shall be the sole and exclusive remedy of the Parties under this Agreement.

10. **Termination**.

10.1. **Termination with Notice**. The following Parties may terminate this Agreement:

(a) PMI in writing, without cause, effective nine (9) months after notice is sent to Customer;

(b) Customer in writing, without cause, effective nine (9) months after such notice is sent to the Prosper Parties;

(c) PMI or Customer, in writing, effective immediately, in the event of any material breach of any warranty, representation or covenant of this Agreement by another Party which remains uncured thirty (30) days after written notice of such breach to such other Party; or

(d) PMI or Customer, upon mutual agreement of the Parties.

10.2. **Cross-termination**. Notwithstanding the foregoing, this Agreement shall terminate immediately upon the effective termination of the Amended and Restated License Agreement between the Parties, dated January 24, 2013 ("License Agreement") or the Amended and Restated Services Agreement between the Parties, dated January 24, 2013 (the "Services Agreement").

10.3. **Effect of Termination**. Upon the effective date of termination of this Agreement:

(a) PMI will immediately cease providing the Service; and

(b) Within thirty (30) days of such termination, the Parties will return all Confidential Information of the other Parties in its possession and will not make or retain any copies of such Confidential Information except as required to comply with any applicable legal or accounting record keeping requirement. Notwithstanding the foregoing, PFL agrees that PMI may use, retain and disclose without regard to this Section 10.3(b) (but subject to all applicable laws and any other agreements between them) any Confidential Information of PFL provided by PFL to PMI.

10.4. **Survival**. The following provisions will survive any expiration or termination of the Agreement: Sections 4.1, 4.2, 5.3, 8, 9, 10.3, 11, 13, 14 and 15.

11. **Miscellaneous Provisions**.

11.1. **Force Majeure**. No Party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including acts of war, acts of god, earthquake, flood, embargo, riot, sabotage, labor shortage or dispute, governmental act or failure of the internet (not resulting from the actions or inactions of PMI), provided that the delayed Party: (a) gives the other Parties prompt notice of such cause, and (b) uses its reasonable commercial efforts to promptly correct such failure or delay in performance. If PMI is unable to provide Service for a period of sixty (60) consecutive days as a result of a continuing force majeure event, Customer may cancel the Service.

11.2. **No Lease; Agreement Subordinate to Master Lease**. This Agreement is a services agreement and is not intended to and will not constitute a lease of any real property. Customer acknowledges and agrees that (i) it has been granted only a license to use the Internet Data Centers in accordance with this Agreement; (ii) Customer has not been granted any real property interest in the Internet Data Centers; (iii) Customer has no rights as a tenant or otherwise under any real property or landlord/tenant laws, regulations, or ordinances; and (iv) this Agreement, to the extent it involves the use of space leased by either or both of the Prosper Parties, shall be subordinate to any lease(s) between either or both of the Prosper Parties and their landlord(s).

11.3. **Non-Solicitation**. During the term of this Agreement and continuing through the first anniversary of the termination of this Agreement, Customer agrees that it will not, and will ensure that its affiliates do not, directly or indirectly, solicit or attempt to

solicit for employment any persons employed by either or both of the Prosper Parties or contracted by either or both of the Prosper Parties to provide Service to Customer.

11.4. **Third Party Beneficiaries**. The Parties agree that, except as otherwise expressly provided in this Agreement, there shall be no third party beneficiaries to this Agreement, including but not limited to the insurance providers for any Party or the customers of Customer.

11.5. **Governing Law**. This Agreement is made under and will be governed by and construed in accordance with the laws of the Commonwealth of Virginia (except that body of law controlling conflicts of law) and specifically excluding from application to this Agreement that law known as the United Nations Convention on the International Sale of Goods.

11.6. **Severability; Waiver**. In the event any provision of this Agreement is held by a tribunal of competent jurisdiction to be contrary to the law, the remaining provisions of this Agreement will remain in full force and effect. The waiver of any breach or default of this Agreement will not constitute a waiver of any subsequent breach or default, and will not act to amend or negate the rights of the waiving Party.

11.7. **Assignment**. Customer may not assign its rights or delegate its duties under this Agreement either in whole or in part without the prior written consent of the Prosper Parties, which consent shall not be unreasonably withheld, and any attempted assignment or delegation without such consent will be void. Each Prosper Party may assign this Agreement in whole or in part. PMI may delegate the performance of certain Services to third parties, including PMI's Affiliates and wholly owned subsidiaries, provided PMI controls the delivery of such Services to Customer and remains responsible to Customer for the delivery of such Services. This Agreement will bind and inure to the benefit of the Parties' respective successors and permitted assigns.

11.8. **Notice**. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given when transmitted by facsimile during business hours with proof of confirmation from the transmitting machine, or delivered by courier or other hand delivery, as follows:

Prosper Marketplace, Inc.
111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Attn: General Counsel
compliance@prosper.com
Facsimile: 415-840-0086

Prosper Funding LLC
111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Attn: Secretary
compliance@prosper.com
Facsimile: 415-840-0086

FOLIO*fn* Investments, Inc.
8180 Greensboro Drive
8th Floor
McLean, VA 22102
Attn: Michael Hogan
hoganm@folioinvesting.com

11.9. **Relationship of Parties**. The Parties agree that in performing their respective responsibilities pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between Customer and either or both of the Prosper Parties. The Prosper Parties will not have the power to bind Customer and Customer will not have the power to bind either or both of the Prosper Parties without the relevant Party's prior written consent, except as otherwise expressly provided herein.

11.10. **Entire Agreement; Counterparts; Originals**. This Agreement, including all documents incorporated herein by reference, constitutes the complete and exclusive agreement between the Parties with respect to the subject matter hereof, and supersedes and replaces any and all prior or contemporaneous discussions, negotiations, understandings and agreements, written and

oral, regarding such subject matter (other than any servicing or similar agreement entered into between PMI and PFL pursuant to which PFL appoints PMI as servicer to provide administrative services to PFL in relation to the New Public Offering (a "Servicing Agreement")). This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument. Once signed, any reproduction of this Agreement made by reliable means (e.g., photocopy, facsimile, PDF) is considered an original. This Agreement may be changed only by a written document signed by authorized representatives of PMI, PFL and Customer in accordance with this Section 11.10.

12. **Commencement of New Public Offering.** On commencement of the New Public Offering (and written notification of such given by PMI to Customer (such commencement date being the "Changeover Date")), this Agreement shall automatically be amended as follows:

12.1 **Assignment of Rights.** Except as set forth in Section 12.2(a) and (b), all rights duties, obligations, covenants, and representations and warranties of PMI hereunder shall be assigned by PMI to, and shall be fully assumed by, PFL. Upon such assumption, PMI shall be fully released and discharged from any and all such duties, obligations, covenants, representations and warranties to the extent relating to any period, or any acts or omissions, occurring subsequent to such assumption.

12.2 **References to PMI.** Except as set forth in subsections (a) and (b) below, all references to PMI in the Agreement shall be deemed to be references to PFL.

(a) All references to "PMI" in the introductory paragraph, Sections 1.2, 1.3(c), 4.1(a), 4.1(c)(iii), 4.2(a), 9.3, 10.3(b), 11.8, 11.10, 12, 13, 14, 15, the signature page and Schedule A shall not be deemed to be replaced with "PFL" but shall continue to be references to PMI.

(b) PMI shall remain obligated to perform, and shall remain entitled to exercise, from and after the Changeover Date all obligations and rights that apply to it in its capacity as a "Party" or a "Prosper Party" as stated in this Agreement.

13. **Performance by PMI; Separate Entities.**

13.1 Customer acknowledges and agrees that after the Changeover Date (i) PMI will continue to perform its obligations under the Sections listed in Sections 12.2(a) and (b) as Party to this Agreement for and on behalf of itself, and (ii) PMI may perform, on behalf of PFL, any obligations of PFL to Customer under this Agreement (other than payment obligations), but solely in its various capacities as corporate administrator, loan servicer, platform administrator or similar capacity under any administration, corporate administration, loan servicing, platform administration or similar agreement entered into between PMI and PFL pursuant to which PFL appoints PMI as corporate administrator, loan servicer, platform administrator or in a similar capacity to provide corporate administration, loan servicing, platform administration or similar services to PFL in relation to the New Public Offering.

13.2 Notwithstanding Section 13.1, Customer acknowledges and agrees that PFL and PMI are separate legal entities and that neither Prosper Party has guaranteed the performance by the other Prosper Party of its obligations hereunder. Accordingly, Customer agrees that (i) PFL shall have no liability for the performance by PMI of its obligations, and (ii) PMI shall have no liability for the performance by PFL of its obligations.

14. **Limited Recourse.** The obligations of PFL under this Agreement are solely the obligations of PFL. No recourse shall be had for the payment of any amount owning by PFL under this Agreement, or any other obligation of or claim against PFL arising out of or based upon this Agreement, against any organizer, member, director, officer, manager or employee of PFL or any of its Affiliates; provided, however, that the foregoing shall not relieve any such person of any liability it might otherwise have as a result of fraudulent actions or omissions taken by it. Each of Customer and PMI agrees that PFL shall be liable for any claims that it may have against PFL only to the extent that PFL has funds available to pay such claims that are not, under the indenture governing PFL's borrower payment dependent notes, allocated to the payment of such notes. "Affiliate" shall mean, with respect to a Party, a Person who directly or indirectly controls, is controlled by or is under common control with the Party. For purpose of this definition, the term "control" (including with correlative meanings, the terms controlling, controlled by and under common control with) means the power to direct the management or policies of such Person, directly or indirectly, through the ownership of twenty-five percent (25%) or more of a class of voting securities of such Person. "Person" means any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity, or other entity of similar nature.

15. **No Petition.** Each of Customer and PMI hereby covenants and agrees that it will not institute against, or join or assist any other Person in instituting against, PFL any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other similar proceeding under the laws of any jurisdiction for one year and a day after all of the borrower payment dependent notes of PFL have been paid in full.

AUTHORIZED REPRESENTATIVES OF CUSTOMER, PMI, AND PFL HAVE READ THE FOREGOING AND ALL DOCUMENTS INCORPORATED THEREIN AND AGREE AND ACCEPT SUCH TERMS EFFECTIVE AS OF THE DATE FIRST ABOVE WRITTEN.

Prosper Marketplace, Inc.

By: /s/ Sachin Adarkar

Name: Sachin Adarkar

Title: Secretary

Prosper Funding LLC

By: /s/ Sachin Adarkar

Name: Sachin Adarkar

Title: Secretary

FOLIO*fn* Investments, Inc.

By: /s/ Michael J. Hogan

Name: Michael J. Hogan

Title: Chief Executive Officer and President

Exhibit 10.3

SCHEDULE A

Service

Before the Changeover Date, the operation and hosting of the current release and version of PMI's computer software program as configured for use by Customer, to operate an alternative trading system for the trading of certain notes issued by PMI and held by members of the PMI Internet-based peer-to-peer lending platform who also are customers of Customer, including all related updates, revisions, error corrections and enhancements thereof which are provided by PMI to Customer. After the Changeover Date, the operation and hosting of the current release and version of PFL's computer software program as configured for use by Customer, to operate an alternative trading system for the trading of certain notes issued or owned by PFL and held by members of the PFL Internet-based peer-to-peer lending platform who also are customers of Customer, including all related updates, revisions, error corrections and enhancements thereof which are provided by PFL to Customer.

Exhibit 10.4

AMENDED AND RESTATED LICENSE AGREEMENT

THIS AMENDED AND RESTATED LICENSE AGREEMENT (this "Agreement") is made and entered into as of January 24, 2013 (the "Effective Date"), among Prosper Marketplace, Inc., a Delaware corporation, ("PMI"), Prosper Funding LLC, a Delaware limited liability company and wholly-owned subsidiary of PMI ("PFL"), and FOLIO*fn* Investments, Inc., a broker-dealer registered under the Securities Exchange Act of 1934, as amended, and organized under the laws of the Commonwealth of Virginia ("Licensee").

RECITALS

A. PMI owns certain rights relating to the Licensed Property (as defined below).

B. PMI and Licensee have entered into a License Agreement, dated as of March 3, 2009 (the "2009 License Agreement"), pursuant to which PMI has licensed Licensee the Licensed Property in connection with the Business (as defined below).

C. PMI and Licensee also have entered into a Services Agreement, dated March 3, 2009 (which agreement is being amended and restated concurrently herewith), pursuant to which PMI provides certain services to Licensee in connection with the Business (as defined below).

D. PMI and Licensee also have entered into a Hosting Services Agreement, dated March 3, 2009 (which agreement is being amended and restated currently herewith), pursuant to which Licensee has agreed to host the Licensed Property for PMI's exclusive use in connection with the Business.

E. PMI has filed a Registration Statement on Form S-1 with the Securities and Exchange Commission (the "SEC"), pursuant to which PMI issues and sells notes, the payments of which are tied to the payments made by borrowers on loans owned by PMI.

F. PMI wishes to provide its note purchasers with greater protection against the possibility of PMI becoming insolvent by having PFL, rather than PMI, sell notes tied to payments made by borrowers on loans owned by PFL.

G. PFL has filed a Registration Statement on Form S-1 with the SEC, pursuant to which PFL will offer and sell notes, the payments of which will be tied to the payments made by borrowers on loans owned by PFL (the "New Public Offering").

H. In connection with the commencement of the New Public Offering, PMI and PFL will enter into an agreement pursuant to which PMI will contribute to PFL all borrower loans owned by PMI, all borrower payment dependent notes issued by PMI, and the on-line peer-to-peer lending platform used to originate borrower loans and issue borrower payment dependent notes (the "P2P Platform").

I. Effective as of the Effective Date, the Parties therefore desire to amend and restate the terms of the existing License Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is under common control with, or is controlled by, that Person. For purposes of this definition, "control" (including, with its correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Business" shall mean the operation of an alternative trading system for the trading of certain notes issued by PMI by members of the PMI Internet-based peer-to-peer lending platform who also are customers of Licensee.

"Documentation" shall mean PMI's printed and electronic documentation, manuals, and instructions relating to the operation of the Licensed Software which PMI delivers to Licensee hereunder.

"Effective Date" shall mean the date of this Agreement as set forth in the preamble hereof.

"Enhancements" shall mean modifications to the Licensed Software requested by Licensee that add significant features to it, including new functionality, capabilities, services and links to Third Party Software, to be delivered by PMI to Licensee.

"Intellectual Property" shall mean all (i) patents, patent applications, patent disclosures, certificates of invention and any related continuations, continuations-in-part, divisionals, reissues or reexaminations; (ii) trademarks, service marks, trade dress, Internet domain names, logos, trade names and corporate names and registrations and applications for registration thereof; (iii) copyrights and registrations and applications for registration thereof; (iv) mask works and registrations and applications for registration thereof; (v) computer software, data and documentation; (vi) inventions, trade secrets and confidential business information, whether patentable or nonpatentable and whether or not reduced to practice, know-how, manufacturing and product processes and techniques, research and development information, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information; and (vii) copies and tangible embodiments thereof.

"Licensed Property" shall mean the Documentation and the Licensed Software.

"Licensed Software" shall mean that computer software listed on Exhibit A hereto, together with all Updates and Enhancements.

"Object Code" shall mean (i) machine executable programming instructions, substantially in binary form, which are intended to be directly executable by an operating system after suitable processing and linking but without the intervening steps of compilation or assembly, or (ii) other executable code (e.g., programming instructions written in procedural or interpretive languages).

"Parties" means PMI, PFL and Licensee.

"Party" means PMI, PFL or Licensee.

"Patch" means additional or revised software designed to correct an identified problem with the Software. A Patch may include revised Documentation.

"Person" shall mean a natural person, sole proprietorship, corporation, general partnership, limited partnership, limited liability partnership, limited liability company, joint venture, unincorporated organization, joint stock company, trust, estate, governmental entity or other entity.

"Prosper Parties" means PMI and PFL.

"Prosper Party" means PMI or PFL.

"Source Code" shall mean the human readable form of Object Code and related system documentation, including comments, procedural language and material useful for understanding, implementing and maintaining such instructions (for example, logic manuals, flow charts and principles of operation).

"Third Party Software" shall mean software that is incorporated into or bundled with the Licensed Software but that is not owned by PMI.

"Update" means any, correction, bug fix or modification to the Licensed Software other than an Enhancement to be delivered by PMI to Licensee.

2. License.

2.1 Grant of License. On the terms and subject to the conditions of this Agreement, PMI hereby grants to Licensee, subject to termination as provided herein, an exclusive, non-sublicensable, non-transferable (except as provided herein), royalty-free right and license to use, display and operate the Licensed Software in Object Code form solely for Licensee's commercial purposes in conducting the Business. Licensee shall have no right to use the Licensed Property for any purpose outside the Business.

2.2 Restrictions. Licensee shall not: (i) copy, reverse compile, disassemble, or reverse engineer any portion of Licensed Software, (ii) remove any production identification, copyright notices or proprietary indications from the Licensed Property, (iii) disclose results of any benchmark test of the Licensed Software to any third party without PMI's prior written approval or (iv) disclose, distribute or publish any portion of the Licensed Property.

2.3 No Other Rights. Except as provided in this Section 2, nothing in this Agreement shall be deemed to grant any license or rights in any other technology, products or services to Licensee except for rights specifically granted herein with respect to the Licensed Property. Licensee has no right to utilize or dispose of any Licensed Property beyond the scope of this Section 2.

2.4 Exclusivity. Licensee (or any Affiliate of Licensee) may, in its sole discretion, develop or operate an alternative trading system (or similar exchange or system) for the trading of notes or securities by members, participants, subscribers (or persons of a similar nature) of an Internet-based peer-to-peer lending platform (howsoever described) that directly or indirectly competes with either or both of the Prosper Parties.

3. Condition to Agreement. PMI and Licensee understand and agree that bids from PMI's P2P Platform members in the marketplace for the secondary trading of notes may only be made by residents of a state that either has declared PMI's registration statement effective or has an exemption from registration that is applicable to such activity; provided, however, that before bids from PMI P2P Platform members in the marketplace for the secondary trading of notes may be made by residents of a state that has an exemption from registration that is applicable to such activity, PMI must provide Customer a certification by its General Counsel or Secretary attesting to the availability of the exemption.

4. Updates and Enhancement of Licensed Software.

4.1 No Right to Modify. Licensee shall not, without the prior written approval of PMI in each instance, modify, correct or change the Licensed Property in any respect.

4.2 Updates and Enhancement. PMI will update and enhance the Licensed Software, from time to time and in its sole discretion. This Agreement shall apply to all such Updates and Enhancements during the term of this Agreement.

5. Rights in Intellectual Property.

5.1 Reservation of Rights. Except as otherwise expressly granted herein, this Agreement does not transfer from either Prosper Party to Licensee any Intellectual Property and all right, title or interest in or to the Licensed Property, or in or to any Intellectual Property of a Prosper Party therein, shall remain solely with such Prosper Party. Except for the rights expressly granted herein, this Agreement does not transfer from Licensee to either Prosper Party any Intellectual Property and all right, title or interest in or to any Intellectual Property of Licensee will remain solely with Licensee. The Parties agree that they will not, directly or indirectly, reverse engineer, decompile, disassemble or otherwise attempt to derive source code or other trade secrets from another Party.

5.2 Licensee Developments. Licensee shall own Intellectual Property only to the extent that it independently develops or acquires such Intellectual Property and that it does not infringe on the Licensed Property, or any Updates or Enhancements to the Licensed Software ("Licensee Developments").

5.3 Benefit. All use of the Licensed Property shall inure to the benefit of PMI, or, as applicable, its suppliers.

5.4 Injunctive Relief. Because unauthorized use, disclosure or transfer of the Licensed Property will diminish substantially its value and irrevocably harm PMI, if Licensee materially breaches the provisions of Sections 2 or 8 of this Agreement, PMI shall be entitled to injunctive and/or other equitable relief, in addition to other remedies afforded by law, to prevent a breach of such sections of this Agreement.

5.5 General Skills and Knowledge. Notwithstanding anything to the contrary in this Agreement, no Party will be prohibited or enjoined at any time from utilizing skills or knowledge of a general nature acquired during the course of providing or using the Licensed Property pursuant to this Agreement, including without limitation, information publicly known or available or that could reasonably be acquired during the course of similar work performed for another.

6. Indemnification. In addition to, and not in lieu of, such other indemnifications to which the Prosper Parties or Licensee are entitled with regard to use of the Licensed Property (provided, however, that no indemnified party hereunder or under any other indemnification receive more than one entire indemnity (including costs) for an indemnified loss), the Parties hereto agree to indemnify each other as follows:

6.1 Infringement. If any Licensed Property provided to Licensee by PMI is held to infringe a United States patent, copyright trade secret or trademark right of a third party, PMI may, at its own expense, and in its sole discretion, (a) procure for Licensee the right to continue to use the allegedly infringing Licensed Property; (b) replace or modify the Licensed Property to make it non-infringing so long as the replacement to or modification of Licensed Software provide substantially the same functional, performance and operational features as the infringing software which is being replaced or modified; or (c) to the extent that the activities under clauses (a) and (b) above are not commercially reasonable, terminate this Agreement with respect to the allegedly infringing Licensed Property and accept the return of the Licensed Software and related Documentation.

6.2 Indemnification by PMI.

(a) PMI agrees to defend any claims or suits brought against Licensee and, subject to the limitations set forth in Section 6.1, will indemnify and hold it harmless against any award of damages and costs made against it by settlement or a final judgment of a court of competent jurisdiction in any suit insofar as, and only to the extent that, the same is based on a claim by any Person (other than Licensee or a Licensee Affiliate) that the Licensed Property infringes any United States patent, copyright or trademark or misappropriates any trade secret (a "Licensee Claim"). Licensee shall give PMI prompt written notice of any Licensee Claim.

(b) PMI shall have sole control over the defense of any Licensee Claim, including appeals, negotiations and the right to effect a settlement or compromise thereof, provided that (i) PMI may not partially settle any Licensee Claim without the written consent of Licensee, unless such settlement releases Licensee fully from such claim, (ii) PMI shall promptly provide Licensee with copies of all pleadings or similar document relating to any Licensee Claim, (iii) PMI shall consult with Licensee with respect to the defense and settlement of any Licensee Claim, and (iv) in any litigation to which Licensee is a party, Licensee shall be entitled to be separately represented at its own expense by counsel of its own selection.

(c) PMI shall have no liability for any Licensee Claim or any other claim of intellectual property infringement or trade secret misappropriation to the extent (i) such infringement is based upon adherence to specifications, designs or instructions furnished by Licensee, (ii) such claim is based upon the combination, operation or use of any Licensed Property with products or content owned by any Person other than PMI, including without limitation Licensee Developments, (iii) such claim is based upon the combination of any Licensed Property or modification of any products or content supplied by any Person other than PMI, (iv) such claim is based upon use of Licensed Property in a manner which is inconsistent with the terms of this Agreement if such infringement would not have occurred except for such use, or (v) such claim is based upon use of a version of the Licensed Property other than the latest version of the Licensed Property, which has been delivered by PMI to Licensee, to the extent such latest version provides substantially all of the same functional, performance and operational features as the prior version, and to the extent such claim could have been avoided by use of the latest version.

6.3 Indemnification by Licensee.

(a) Licensee agrees to defend any claims or suits brought against either or both of the Prosper Parties or any of their Affiliates ("Licensor Claims"), and will indemnify and hold them harmless against any award or damages and costs made against them by settlement or a final judgment of a court of competent jurisdiction in any suit insofar as, and only to the extent that, the same is based on a claim by any Person (other than a Prosper Party or a Prosper Party Affiliate) (i) arising from the use of the Licensed Property, other than claims for which PMI indemnifies Licensee pursuant to Section 6.2(a) or (ii) the violation by Licensee of any applicable law, rule, regulation or order in any jurisdiction. The relevant Prosper Parties shall give Licensee prompt written notice of any Licensor Claim.

(b) Licensee shall have sole control over the defense of any Licensor Claim, including appeals, negotiations and the right to effect a settlement or compromise thereof, provided that (i) Licensee may not partially settle any Licensor Claim without the written consent of the relevant Prosper Parties and any of their Affiliates affected thereby, unless such settlement releases such Prosper Parties and all such Affiliates fully from such claim, (ii) Licensee shall promptly provide the relevant Prosper Parties with copies of all pleadings or similar document relating to any Licensor Claim, (iii) Licensee shall consult with the relevant Prosper Parties with respect to the defense and settlement of any Licensor Claim, and (iv) in any litigation to which a Prosper Party is a party, such Prosper Party shall be entitled to be separately represented at its own expense by counsel of its own selection.

6.4 Limited Indemnification by PMI.

(a) PMI agrees to defend any claims or suits brought against PFL ("PFL Claims"), and will indemnify and hold PFL harmless against any award or damages and costs made against PFL by settlement or a final judgment of a court of competent jurisdiction in any suit insofar as, and only to the extent that, the same is based on a claim by any Person arising from any acts or omissions of PMI occurring before the Changeover Date (as defined below). PFL shall give PMI prompt written notice of any PFL Claim.

(b) PMI shall have sole control over the defense of any PFL Claim, including appeals, negotiations and the right to effect a settlement or compromise thereof, provided that (i) PMI may not partially settle a PFL Claim without the written consent of PFL, unless such settlement releases PFL fully from such claim, (ii) PMI shall promptly provide PFL with copies of all pleadings or similar document relating to a PFL Claim, (iii) PMI shall consult with PFL with respect to the defense and settlement of any PFL Claim, and (iv) in any litigation to which PFL is a party, PFL shall be entitled to be separately represented at its own expense by counsel of its own selection.

(c) PMI agrees to defend any claims or suits brought against PFL and Licensee ("PMI Claims"), and will indemnify and hold PFL and Licensee harmless against any award or damages and costs made against PFL and Licensee by settlement or a final judgment of a court of competent jurisdiction in any suit insofar as, and only to the extent that, the same is based on a claim by any Person arising from any acts or omissions of PMI, but solely in PMI's various capacities as corporate administrator, loan servicer or platform administrator, occurring after the Changeover Date. PFL or Licensee shall give PMI prompt written notice of any PMI Claim.

(d) PMI shall have sole control over the defense of any PMI Claim, including appeals, negotiations and the right to effect a settlement or compromise thereof, provided that (i) PMI may not partially settle a PMI Claim without the written consent of PFL or Licensee (as applicable), unless such settlement releases PFL or Licensee (as applicable), fully from such claim, (ii) PMI shall promptly provide PFL or Licensee (as applicable), with copies of all pleadings or similar document relating to a PMI Claim, (iii) PMI shall consult with PFL or Licensee (as applicable), with respect to the defense and settlement of any PMI Claim, and (iv) in any litigation to which PFL or Licensee is a party, PFL or Licensee (as applicable), shall be entitled to be separately represented at its own expense by counsel of its own selection.

6.5 Exclusive Remedy. The remedies set forth in this Section 6 shall constitute the sole and exclusive remedies of the Parties, and the exclusive liability of the Parties, with respect to the claims described in this Section 6.

7. Limitation of Damages and Disclaimer of Warranties.

7.1 Limit on Aggregate Damages.

(a) Waiver of Certain Damages. EXCEPT WITH RESPECT TO PMI'S INDEMNIFICATION OBLIGATIONS HEREUNDER, IN NO EVENT SHALL PMI BE LIABLE TO LICENSEE OR ANY OTHER PARTY FOR ANY DAMAGES RESULTING FROM LOSS OF DATA, LOST PROFITS, LOSS OF USE OF EQUIPMENT OR LOST CONTRACTS OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE LICENSED PROPERTY OR RELATING TO THIS AGREEMENT, HOWEVER CAUSED, EVEN IF PMI HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL LICENSEE BE LIABLE TO PMI OR ANY OTHER PARTY FOR ANY DAMAGES RESULTING FROM LOSS OF DATA, LOST PROFITS, LOSS OF USE OF EQUIPMENT OR LOST CONTRACTS OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE LICENSEE'S DEVELOPMENTS OR RELATING TO THIS AGREEMENT, HOWEVER CAUSED, EVEN IF LICENSEE HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.

(b) Warranty Disclaimers. THE LICENSED PROPERTY IS PROVIDED TO LICENSEE, AND THE LICENSEE DEVELOPMENTS ARE PROVIDED TO PMI, AS-IS. PMI MAKES NO WARRANTIES TO LICENSEE OR TO ANY OTHER PARTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE LICENSED PROPERTY, WRITTEN OR ORAL, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE OR NON-INFRINGEMENT, ALL OF WHICH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. LICENSEE MAKES NO WARRANTIES TO PMI OR TO ANY OTHER PARTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE LICENSEE DEVELOPMENTS, WRITTEN OR ORAL, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE OR NON-INFRINGEMENT, ALL OF WHICH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.

(c) Waiver of Certain Damages by PMI. EXCEPT WITH RESPECT TO PMI'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 6.4 AND UNDER THE AMENDED AND RESTATED SERVICES AGREEMENT, DATED JANUARY 24, 2013 (THE "SERVICES AGREEMENT") AND THE AMENDED AND RESTATED HOSTING SERVICES AGREEMENT, DATED JANUARY 24, 2013 (THE "HOSTING SERVICES AGREEMENT"), IN NO EVENT SHALL PMI BE LIABLE TO LICENSEE OR ANY OTHER PARTY FOR ANY DAMAGES RESULTING FROM LOSS OF DATA, LOST PROFITS, LOSS OF USE OF EQUIPMENT OR LOST CONTRACTS OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE LICENSED PROPERTY OR RELATING TO THIS AGREEMENT, HOWEVER CAUSED, EVEN IF PMI HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL LICENSEE BE LIABLE TO PMI OR ANY OTHER PARTY FOR ANY DAMAGES RESULTING FROM LOSS OF DATA, LOST PROFITS, LOSS OF USE OF EQUIPMENT OR LOST CONTRACTS OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE LICENSEE'S DEVELOPMENTS OR RELATING TO THIS AGREEMENT, HOWEVER CAUSED, EVEN IF LICENSEE HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.

7.2 PMI DOES NOT WARRANT THAT THE LICENSED SOFTWARE WILL MEET LICENSEE'S REQUIREMENTS, WILL OPERATE IN COMBINATIONS LICENSEE MAY SELECT FOR USE, OR THAT OPERATION OF THE LICENSED SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE. LICENSEE DOES NOT WARRANT THAT THE LICENSEE DEVELOPMENTS WILL MEET PMI'S REQUIREMENTS, WILL OPERATE IN COMBINATIONS PMI MAY SELECT FOR USE, OR THAT OPERATION OF THE LICENSEE DEVELOPMENTS WILL BE UNINTERRUPTED OR ERROR-FREE.

7.3 LICENSEE IS REQUIRED TO ACCESS OR USE THE INTERNET IN CONNECTION WITH THE USE OF THE LICENSED SOFTWARE. LICENSEE UNDERSTANDS AND AGREES THAT THE INTERNET IS AN UNREGULATED, PUBLIC NETWORK OVER WHICH PMI EXERTS NO CONTROL. PMI MAKES NO REPRESENTATIONS OR WARRANTIES TO LICENSEE OR ANY OTHER PARTY OF ANY KIND WHATSOEVER, AND SHALL HAVE NO LIABILITY WHATSOEVER, WITH RESPECT TO THE ACCURACY, DEPENDABILITY, PRIVACY, SECURITY, AUTHENTICITY OR COMPLETENESS OF DATA TRANSMITTED OVER OR OBTAINED USING THE INTERNET, OR ANY INTRUSION, VIRUS, DISRUPTION, LOSS OF COMMUNICATION, LOSS OR CORRUPTION OF DATA, OR OTHER ERROR OR EVENT CAUSED OR PERMITTED BY OR INTRODUCED THROUGH LICENSEE'S USE OF THE INTERNET.

8. Confidentiality.

8.1 Licensee's Confidentiality Obligation. For so long as this Agreement remains in effect and for a period of ten (10) years after any expiration or termination of this Agreement (and indefinitely with respect to any Source Code of either or both of the Prosper Parties), Licensee agrees that it and its managers, employees, consultants, agents and advisors shall treat confidentially and not disclose, or permit any Affiliate of it or its respective advisors, employees, agents or representatives to disclose, to any third party any non-public or proprietary information received from or on behalf of either or both of the Prosper Parties or about either or both of the Prosper Parties ("Confidential Information"). Confidential Information will include all information in tangible or intangible form that is marked or designated as confidential or that, under the circumstances of its disclosure, should be considered confidential. Further, for the avoidance of doubt, such Confidential Information shall include any personally identifiable information about any P2P Platform member, excluding personally identifiable information received by Licensee in the course of establishing or maintaining ATS access or a brokerage account for any such person or relating to executing a transaction for any such person. Licensee agrees not to use such Confidential Information for any purpose other than for the purposes contemplated under this Agreement, without obtaining the prior written consent of the disclosing Prosper Party, except (a) portions of such information that are or become generally available to the public other than as a result of disclosure by Licensee in violation of this Agreement, (b) portions of such information received on a non-confidential basis from a third party who, to such recipient's knowledge, is not prohibited from disclosing the information pursuant to a confidentiality agreement with, or fiduciary obligations to, the disclosing Prosper Party, and (c) for the purpose of making any disclosures required by applicable law. In the event that such Confidential Information is disclosed in accordance with this paragraph, Licensee agrees to contractually require each Person to whom it has provided such Confidential Information as expressly permitted hereunder or with the prior written consent of the disclosing Prosper Party to keep such information confidential and to use and disclose it only in connection with its performance under this Agreement.

8.2 Prosper Parties' Confidentiality Obligation. For so long as this Agreement remains in effect and for a period of ten (10) years after any expiration or termination of this Agreement, each Prosper Party agrees that it and its directors, employees, consultants, agents, representatives and advisors shall treat confidentially and will not disclose to any third party any Confidential Information received from or on behalf of Licensee or about Licensee any of its Affiliates, or use such Confidential Information for any purpose other than granting the license hereunder or for the fulfillment of the Prosper Parties' respective obligations under this Agreement without obtaining the prior written consent of Licensee, except (a) portions of such information that are or become generally available to the public other than as a result of disclosure by a Prosper Party in violation of this Agreement, (b) portions of such information received on a non-confidential basis from a third party who, to such recipient's knowledge, is not prohibited from disclosing the information pursuant to a confidentiality agreement with, or fiduciary obligations to, Licensee, and (c) for the purpose of making any disclosures required by applicable law. For the avoidance of doubt, Licensee's Confidential Information shall include any personally identifiable information provided by an individual or entity to Licensee or either Prosper Party solely for the purpose of accessing the ATS or opening a brokerage account through Licensee.

8.3 Permitted Disclosure. Notwithstanding the foregoing provisions of Sections 8.1 and 8.2, a Party may disclose Confidential Information received from another Party if:

(a) such information is disclosed, in compliance with applicable law, by the receiving Party to its advisors, representatives, agents and employees, acting in their capacity as such, who have a need to know such Confidential Information in connection with the performance of this Agreement; provided, however, that such advisors, representatives, agents and employees shall be required to agree to abide by the requirements of this Section 8 and the receiving Party shall be liable to the disclosing Party for any breach of these requirements by its advisors, employees, agents and representatives; or

(b) a Party determines that it is required by applicable law to disclose information not otherwise permitted to be disclosed pursuant hereto. In advance of any such disclosure (to the extent legally permitted and reasonably practicable), the receiving Party shall consult with the disclosing Party regarding such disclosure and seek confidential treatment for such portions of the disclosure as may be requested by the disclosing Party. Such receiving Party shall have no liability hereunder if, prior to the required disclosure, the receiving Party receives a written opinion from its counsel opining that such disclosure is required by law or regulation. In addition, notwithstanding any other provision of this Agreement, any Party shall be permitted to file a copy of this Agreement with any governmental authority or securities regulatory body.

(c) Notwithstanding any provisions of this Agreement to the contrary, PFL agrees that PMI may use, retain and disclose all Confidential Information of PFL obtained by PMI without regard to the provisions of this Section 8.

8.4 Damages Not an Adequate Remedy. Without prejudice to any other rights or remedies of a Party, the Parties acknowledge and agree that damages would not be an adequate remedy for any breach of this Section 8 and the remedies of prohibitory injunctions and other relief are appropriate and may be sought for any threatened or actual breach of any provision of this Section 8. No proof of special damages shall be necessary for the enforcement of any Party's rights under this Section 8.

9. Term and Termination.

9.1 Term.

(a) Unless earlier terminated in accordance with Section 9.2, the initial term of this Agreement shall begin on the Effective Date and shall continue for a period of one year ("Initial Term").

(b) On the first anniversary of the Effective Date and each anniversary date thereafter, this Agreement shall automatically successively renew for a period of one (1) year each (each a "Renewal Term") unless prior to expiration of the Initial Term or a Renewal Term PMI or Licensee provides thirty (30) days' written notice to the other Parties of its intent not to renew, or unless earlier terminated in accordance with Section 9.2. The Initial Term and any Renewal Term shall be collectively referred to herein as the "Term".

9.2 Termination.

(a) The following Parties may terminate this Agreement:

(i) PMI in writing, without cause, effective nine (9) months' after notice is sent to Licensee;

(ii) Licensee in writing, without cause, effective nine (9) months' after such notice is sent to the Prosper Parties;

(iii) PMI or Licensee, in writing to the other Parties, effective immediately, in the event of any material breach of any warranty, representation or covenant of this Agreement by another Party which remains uncured thirty (30) days after written notice of such breach to such other Party; or

(iv) PMI or Licensee, upon mutual agreement of the Parties.

(b) Notwithstanding the foregoing, this Agreement shall terminate immediately upon the effective termination of the Services Agreement or the Hosting Services Agreement.

9.3. Effect of Termination. Upon the expiration or termination of this Agreement for any reason, all of the rights and licenses granted hereunder, shall terminate, and Licensee shall immediately (a) cease any use of the Licensed Property, (b) either return to PMI all Licensed Property in the possession of Licensee, or destroy all embodiments thereof, and (c) certify to PMI in writing that Licensee has complied with the requirements of clauses (a) and (b) of this Section 9.3.

9.4 Waiver. Upon the expiration or termination of this Agreement, neither Prosper Party shall have any obligation to Licensee or employee of Licensee, for compensation or indemnity on account of the loss by Licensee of present or prospective sales, investments, compensation or goodwill. Licensee, for itself and on behalf of each of its employees, hereby waives any rights which may be granted to it or them under all applicable laws and regulations which are not granted to it or them by this Agreement. Licensee hereby indemnifies and holds the Prosper Parties harmless from and against any and all claims, costs, damages and liabilities whatsoever asserted by any employee, agent or representative of Licensee under any applicable employment termination, labor, social security or other similar laws or regulations.

9.5 Survival. The provisions of Sections 5, 6, 7, 8, 9.3, 9.4, 9.5, 10, 12, 13 and 14 shall survive any expiration or termination of this Agreement in accordance with their terms.

10. Miscellaneous.

10.1 Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given when transmitted by facsimile during business hours with proof of confirmation from the transmitting machine, or delivered by courier or other hand delivery, as follows:

Prosper Marketplace, Inc.:

111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Attn: General Counsel
compliance@prosper.com
Facsimile: 415-593-5433

Prosper Funding LLC:

111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Attn: Secretary
compliance@prosper.com
Facsimile: 415-593-5433

FOLIOfn Investments, Inc.:

8180Greensboro Drive
8th Floor

McLean, VA 22102
Attn: Michael Hogan
hoganm@folioinvesting.com

10.2 Assignment. Licensee shall neither assign nor transfer this Agreement or any interest herein without the prior written consent of each Prosper Party, which consent shall not be unreasonably withheld. Either Prosper Party may assign this Agreement and/or subcontract its performance hereunder upon notice to Licensee. A purported assignment of this Agreement or any of the rights, interests or obligations hereunder not in compliance with this Section 10.2 shall be null and void ab initio.

10.3 Entire Agreement. This Agreement, including the exhibits referred to herein, which are hereby incorporated in and made a part of this Agreement, constitutes the entire contract between the Parties with respect to the subject matter covered by this Agreement (other than any administration, corporate administration, loan servicing, platform administration or similar agreement entered into between PMI and PFL pursuant to which PFL appoints PMI as corporate administrator, loan servicer, platform administrator or in a similar capacity to provide certain services to PFL in relation to the New Public Offering (each such agreement, a "Services Agreement")). This Agreement supersedes all previous agreements and understandings, if any, by and between the Parties with respect to the subject matter covered by this Agreement (other than any Services Agreement). This Agreement may not be amended, changed or modified except by a writing duly executed by the Parties hereto.

10.4 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, invalid or void in any respect, no other provision of this Agreement shall be affected thereby, and all other provisions of this Agreement shall nevertheless be carried into effect and the Parties shall amend this Agreement to modify the unenforceable, invalid or void provision to give effect to the intentions of the Parties to the extent possible in a manner which is valid and enforceable. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THIS AGREEMENT WHICH PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES OR EXCLUSION OF DAMAGES, IS INTENDED BY THE PARTIES TO BE SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION AND TO BE ENFORCED AS SUCH.

10.5 Remedies and Waivers. All rights and remedies of the Parties under this Agreement are separate and cumulative, and no one of them, whether exercised or not, shall be deemed to be to the exclusion of or to limit or prejudice any other rights or remedies which the Parties may have. The Parties shall not be deemed to waive any of their rights or remedies under this Agreement, unless such waiver is in writing and signed by the Party to be bound. No delay or omission on the part of a Party in exercising any right or remedy hereunder or thereunder shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

10.6 Governing Law. This Agreement, and the rights and liabilities of the Parties hereunder, shall be governed by the substantive laws of the Commonwealth of Virginia to the exclusion of its rules of conflict of laws and the Parties agree to submit to the exclusive jurisdiction of the state and federal courts located in Virginia for the resolution of all disputes arising out of this Agreement or in connection with the Licensed Property.

10.7 Headings. The headings contained in this Agreement are for convenience only and are not a part of this Agreement, and do not in any way interpret, limit or amplify the scope, extent or intent of this Agreement, or any of the provisions of this Agreement.

10.8 Counterparts and Facsimile. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement. Transmission of facsimile or electronic copies of signed original signature pages of this Agreement shall have the same effect as delivery of the signed originals.

10.9 Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any person, firm, or corporation other than the Parties, any rights or remedies under or by reason of this Agreement.

10.10 Binding Effect. Subject to Section 10.2 hereof, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

10.11 Independent Contractors. The Parties agree that in performing their respective responsibilities pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between Licensee and either or both of the Prosper Parties.

10.12 Force Majeure. No Party shall incur liability to another Party due to any delay or failure in performance hereunder caused by reason of any occurrence or contingency beyond its reasonable control, including but not limited to failure of suppliers, strikes, lockouts or other labor disputes, riots, acts of war or civil unrest, earthquake, fire, the elements or acts of God, novelty of product manufacture, unanticipated product development problems, or governmental restrictions or other legal requirements; provided, that the delayed Party notifies the other Parties in writing immediately upon commencement of such event and makes diligent efforts to resume performance immediately upon cessation of such event.

11. Commencement of New Public Offering. On commencement of the New Public Offering (and written notification of such given by PMI to Licensee (such commencement date being the "Changeover Date)), this Agreement shall automatically be amended as follows:

11.1 Assignment of Rights. Except as set forth in Section 11.2(a) and (b), all rights duties, obligations, covenants, and representations and warranties of PMI hereunder shall be assigned by PMI to, and shall be fully assumed by, PFL. Upon such assumption, PMI shall be fully released and discharged from any and all such duties, obligations, covenants, representations and warranties to the extent relating to any period, or any acts or omissions, occurring subsequent to such assumption, except that PMI's indemnification obligations under the 2009 License Agreement and PMI's limited indemnification obligations under Section 6.4 of this Agreement, and PMI's warranty obligations under the 2009 License Agreement and, solely with respect to matters arising prior to the Changeover Date, Section 7 of this Agreement, shall remain in full force and effect.

11.2 References to PMI. Except as set forth in subsections (a) and (b) below, all references to PMI in the Agreement shall be deemed to be references to PFL.

(a) All references to "PMI" in the introductory paragraph, recitals, the definitions of "Party," "Parties," "Prosper Party" and "Prosper Parties," Sections 1, 6.4, 7.1(c), 8.3(c), 10.1, 10.3, 11, 12, 13, 14, and the signature page shall not be deemed to be replaced with "PFL" but shall continue to be references to PMI.

(b) PMI shall remain obligated to perform, and shall remain entitled to exercise, from and after the Changeover Date all obligations and rights that apply to it in its capacity as a "Party" or a "Prosper Party" as stated in this Agreement.

12. Performance by PMI; Separate Entities.

12.1 Licensee acknowledges and agrees that after the Changeover Date (i) PMI will continue to perform its obligations under the Sections listed in Sections 11.2(a) and (b) as party to this Agreement for and on behalf of itself and (ii) PMI may perform, on behalf of PFL, any obligations of PFL to Licensee under this Agreement (other than payment obligations), but solely in its various capacities as corporate administrator, loan servicer, platform administrator or similar capacity under any administration, corporate administration, loan servicing, platform administrator or similar agreement entered into between PMI and PFL pursuant to which PFL appoints PMI as corporate administrator, loan servicer, platform administrator or in a similar capacity to provide corporate administration, loan servicing, platform administration or similar services to PFL in relation to the New Public Offering.

12.2 Notwithstanding Section 12.1, Licensee acknowledges and agrees that PFL and PMI are separate legal entities and that neither Prosper Party has guaranteed the performance by the other Prosper Party of its obligations hereunder. Accordingly, Licensee agrees that (i) PFL shall have no liability for the performance by PMI of its obligations, and (ii) PMI shall have no liability for the performance by PFL of its obligations.

13. Limited Recourse. The obligations of PFL under this Agreement are solely the obligations of PFL. No recourse shall be had for the payment of any amount owning by PFL under this Agreement, or any other obligation of or claim against PFL arising out of or based upon this Agreement, against any organizer, member, director, officer, manager or employee of PFL or any of its Affiliates; provided, however, that the foregoing shall not relieve any such person of any liability it might otherwise have as a result of fraudulent actions or omissions taken by it. Each of Licensee and PMI agrees that PFL shall be liable for any claims that it may have against PFL only to the extent that PFL has funds available to pay such claims that are not, under the indenture governing PFL's borrower payment dependent notes, allocated to the payment of such notes.

14. No Petition. Each of Licensee and PMI hereby covenants and agrees that it will not institute against, or join or assist any other Person in instituting against, PFL any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other similar proceeding under the laws of any jurisdiction for one year and a day after all of the borrower payment dependent notes of PFL have been paid in full.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

Prosper Marketplace, Inc.

By: /s/ Sachin Adarkar

Name: Sachin Adarkar

Title: Secretary

Prosper Funding LLC

By: /s/ Sachin Adarkar

Name: Sachin Adarkar

Title: Secretary

FOLIO*fn* Investments, Inc.

By: /s/ Michael J. Hogan

Name: Michael J. Hogan

Title: Chief Executive Officer and President

Exhibit 10.4

EXHIBITS

Exhibit A: Licensed Software

Exhibit 10.4

EXHIBIT A

Licensed Software

The Licensed Software shall mean the computer software that allows users to perform the following tasks: (i) post an offer to sell PMI Member Notes (the "Notes") they hold in their account with PMI, (iii) review offers posted by other users, (iv) access information about the consumer loans underlying each Note (including static information available at the time the loan was issued, and dynamic information such as payment history and the borrower's credit score range, updated each month), and (v) submit orders to buy Notes. The software also features administrative functions that permits Licensee's personnel to retrieve and review information regarding transactions. For the avoidance of doubt, the aforementioned features may be modified by PMI from time to time as may be required by federal or state securities laws, rules or regulations.

Exhibit 10.5

EXECUTION VERSION

CONFIDENTIAL TREATMENT REQUESTED

WEBBANK

PROSPER MARKETPLACE, INC.

and

PROSPER FUNDING LLC

SECOND AMENDED AND RESTATED LOAN SALE AGREEMENT

Dated as of January 25, 2013

This SECOND AMENDED AND RESTATED LOAN SALE AGREEMENT (this "Agreement"), dated as of January 25, 2013 ("Effective Date"), is made by and among WEBBANK, a Utah-chartered industrial bank having its principal location in Salt Lake City, Utah ("Bank"), PROSPER MARKETPLACE, INC., a Delaware corporation, having its principal location in San Francisco, California ("PMI"), and PROSPER FUNDING LLC, a Delaware limited liability company and a wholly-owned subsidiary of PMI, also having its principal location in San Francisco, California ("PFL").

WHEREAS, Bank and PMI are parties to a Second Amended and Restated Loan Account Program Agreement, dated as of the Effective Date (the "Loan Account Program Agreement");

WHEREAS, Bank desires to sell to PMI, and PMI desires to purchase from Bank, the Loan Accounts established by Bank pursuant to the Loan Account Program Agreement;

WHEREAS, Bank and PMI previously entered into an Amended and Restated Loan Sale Agreement dated as of September 14, 2010 (the "Existing Sale Agreement"), pursuant to which PMI agreed to purchase certain loan accounts originated by Bank;

WHEREAS, PMI has filed a Registration Statement on Form S-1 with the Securities and Exchange Commission (the "SEC"), pursuant to which PMI issues and sells notes, the payments of which are tied to the payments made by borrowers on the loans PMI acquires under the Existing Sale Agreement;

WHEREAS, PMI wishes to provide its note purchasers with greater protection against the possibility of PMI becoming insolvent by having PFL, rather than PMI, acquire Loan Accounts from Bank and issue and sell the corresponding notes;

WHEREAS, PFL has filed a Registration Statement on Form S-1 with the SEC, pursuant to which PFL will offer and sell notes, the payments of which will be tied to the payments made by borrowers on the loans acquired by PFL (the "New Public Offering"); and

WHEREAS, the Parties therefore desire to amend and restate the Existing Sale Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants and agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions; Effectiveness.**

(a) The terms used in this Agreement shall be defined as set forth in Schedule 1; *provided, however*, that any capitalized terms not defined in Schedule 1 shall have the respective meanings attributed to such terms under the Loan Account Program Agreement. The rules of construction set forth in Schedule 1 shall apply to this Agreement.

(b) This Agreement shall be effective as of the Effective Date and, as of the Effective Date, shall supersede and replace the Existing Sale Agreement (except that, as provided in section 1(c), the Existing Sale Agreement will govern the purchase of Loan Accounts originated prior to the Effective Date). This Agreement shall apply to all Loan Accounts originated by Bank during the term of this Agreement, beginning on the Effective Date. Loans originated on or after the Effective Date shall not be subject to the Existing Sale Agreement.

(c) All Loan Accounts originated by Bank prior to the Effective Date shall be governed by the terms of the Existing Sale Agreement as in effect at the time that such Loan Accounts were originated, and shall not be subject to the terms of this Agreement.

(d) This Agreement shall not operate so as to render invalid or improper any action heretofore taken under the Existing Sale Agreement.

2. **Purchase of Loan Accounts; Payment to Bank; Reporting to Bank.**

(a) The terms of Schedule 2 shall apply as if fully set forth in this Agreement.

(b) On each Closing Date, PMI shall purchase the Loan Accounts established by Bank that are identified on the Funding Statement received by Bank [*]. [*], PMI shall deposit a sum equal to the Funding Amount for that Funding Statement by wire transfer into the Control Account. [*], in consideration of PMI's purchase of the Loan Accounts [*], Bank may authorize the disbursement of such Funding Amount from the Control Account to Bank per the terms of the Control Account Agreement. Notwithstanding any provision of the Control Account Agreement to the contrary, under no circumstances shall Bank direct or otherwise authorize the disbursement or other disposition of any funds from the Control Account to Bank or any other person or entity other than in accordance with the previous sentence.

(c) [*], PMI shall pay Bank the Holding Period Interest Charge for all Loan Accounts purchased by PMI during the immediately preceding month.

(d) To the extent that such materials are in Bank's possession, upon PMI's request, Bank agrees to cause to be delivered to PMI, at PMI's cost, loan files on all Loan Accounts purchased by PMI pursuant to this Agreement within [*] of the related Closing Date. Such loan files shall include the application for the Loan Account, the Loan Account Agreement, confirmation of delivery of the Loan Account Agreement to the Borrower, and such other materials as PMI may reasonably require (all of which may be in electronic form); provided that Bank may retain copies of such information as necessary to comply with Applicable Laws.

(e) To secure all PMI's obligations under this Agreement, PMI hereby grants Bank a security interest in all of PMI's right, title and interest in and to the Control Account and all sums now or hereafter on deposit in or payable or withdrawable from the Control Account and the proceeds of any of the foregoing (collectively, the "Control Account Collateral"), and agrees to take such steps as Bank may reasonably require to perfect or protect such first priority security interest. PMI represents that, as of the date of this Agreement, the Control Account Collateral is not subject to any claim, lien, security interest or encumbrance (other than the interest of Bank). PMI shall not allow any other Person to have any claim, lien, security interest, or encumbrance on the Control Account Collateral. Bank shall have all of the rights and remedies of a secured party under Applicable Laws with respect to the Collateral and the funds therein or proceeds thereof, and shall be entitled to exercise those rights and remedies in its discretion.

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* **Confidential Treatment Requested**

(f) PMI agrees to pay all of the Bank Fees (as defined in the Control Account Agreement), and shall ensure that adequate funds are deposited into the Control Account to satisfy such Bank Fees. PMI shall provide to Bank copies of the Account Documentation (as defined in the Control Account Agreement), including any amendments thereto, promptly upon receipt from the Control Institution.

3. **Ownership of Loan Accounts.**

(a) On and after each Closing Date, subject to PMI's payment of the Purchase Price [*], PMI shall be the sole owner for all purposes (e.g., tax, accounting and legal) of the Loan Accounts purchased from Bank on such date. Bank agrees to make entries on its books and records to clearly indicate the sale of the Loan Accounts to PMI as of each Closing Date. PMI agrees to make entries on its books and records to clearly indicate the purchase of the Loan Accounts as of each Closing Date.

(b) Bank does not assume and shall not have any liability to PMI for the repayment of any Loan Proceeds or the servicing of the Loan Accounts after the related Closing Date.

(c) The Prosper Parties may not (i) securitize the Loan Accounts, or any amounts owing thereunder, or (ii) issue an "asset-backed security" (as defined under 17 C.F.R. § 229.1101(c) or Section 3(a)(77) of the Securities Exchange Act of 1934) backed by the Loan Accounts or any amounts owing thereunder, in each case, without the prior written consent of Bank, which consent may be withheld or conditioned in Bank's sole discretion.

(d) PMI shall maintain the Control Account Agreement in effect on the Control Account at all times.

4. **Representations and Warranties of Bank.**

(a) Bank hereby represents and warrants to PMI as of the Effective Date of this Agreement and as of each Closing Date that:

(1) Bank is an FDIC-insured Utah-chartered industrial bank, duly organized, validly existing under the laws of the State of Utah and has full corporate power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery and performance of this Agreement and the transfer of the Loan Accounts have been duly authorized and are not in conflict with and do not violate the terms of the charter or bylaws of Bank and will not result in a material breach of or constitute a default under, or require any consent under, any indenture, loan or agreement to which Bank is a party;

*__Confidential Treatment Requested__

(2) All approvals, authorizations, licenses, registrations, consents, and other actions by, notices to, and filings with, any Person that may be required in connection with the execution, delivery, and performance of this Agreement by Bank, have been obtained (other than those required to be made to or obtained from Borrowers);

(3) This Agreement constitutes a legal, valid, and binding obligation of Bank, enforceable against Bank in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws now or hereafter in effect (including the rights and obligations of receivers and conservators under 12 U.S.C. §§ 1821(d) and (e)), which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(4) There are no proceedings or investigations pending or, to the best knowledge of Bank, threatened against Bank (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by Bank pursuant to this Agreement, (iii) seeking any determination or ruling that, in the reasonable judgment of Bank, would materially and adversely affect the performance by Bank of its obligations under this Agreement, (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement or (v) would have a materially adverse financial effect on Bank or its operations if resolved adversely to it;

(5) Bank is not Insolvent; and

(6) The execution, delivery and performance of this Agreement by Bank comply with Utah and federal banking laws specifically applicable to Bank's operations; provided that Bank makes no representation or warranty regarding compliance with Utah or federal banking laws relating to consumer protection, consumer lending, usury, loan collection, anti-money laundering, data security or privacy as they apply to the operation of the Program.

(b) The representations and warranties set forth in this Section 4 shall survive the sale, transfer and assignment of the Loan Accounts to PMI pursuant to this Agreement and, with the exception of those representations and warranties contained in subsection 4(a)(4), shall be made continuously throughout the term of this Agreement. In the event that any investigation or proceeding of the nature described in subsection 4(a)(4) is instituted or threatened against Bank, Bank shall promptly notify PMI of such pending or threatened investigation or proceeding (unless prohibited from doing so by Applicable Laws or the direction of a Regulatory Authority).

5. **Representations and Warranties of the Prosper Parties.**

(a) Each Prosper Party hereby represents and warrants to Bank, as of the Effective Date and each Closing Date that:

(1) Such Prosper Party is a corporation (in the case of PMI) or a limited liability company (in the case of PFL), duly organized and validly existing in good standing under the laws of the State of Delaware, and has full power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery, and performance of this Agreement have been duly authorized, and are not in conflict with and do not violate the terms of its articles or bylaws (in the case of PMI) or its limited liability company agreement (in the case of PFL) and will not result in a material breach of or constitute a default under or require any consent under any indenture, loan, or agreement to which PMI is a party;

(2) All approvals, authorizations, consents, and other actions by, notices to, and filings with any Person required to be obtained for the execution, delivery, and performance of this Agreement by such Prosper Party, have been obtained;

(3) This Agreement constitutes a legal, valid, and binding obligation of such Prosper Party, enforceable against such Prosper Party in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect, which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(4) There are no proceedings or investigations pending or, to the best knowledge of such Prosper Party, threatened against such Prosper Party (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by such Prosper Party pursuant to this Agreement, (iii) seeking any determination or ruling that, in the reasonable judgment of such Prosper Party, would materially and adversely affect the performance by such Prosper Party of its obligations under this Agreement, (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement or (v) except as set forth on Schedule 5(a)(4) with respect to PMI, that would have a materially adverse financial effect on such Prosper Party or its operations if resolved adversely to it;

(5) Such Prosper Party is not Insolvent; and

(6) The execution, delivery and performance of this Agreement by such Prosper Party comply with Applicable Laws.

(b) The representations and warranties set forth in this Section 5 shall survive the sale, transfer and assignment of the Loan Accounts to PMI pursuant to this Agreement and, with the exception of those representations and warranties contained in subsection 5(a)(4), shall be made continuously throughout the term of this Agreement. In the event that any investigation or proceeding of the nature described in subsection 5(a)(4) is instituted or threatened against a Prosper Party, such Prosper Party shall promptly notify Bank of such pending or threatened investigation or proceeding (unless prohibited from doing so by Applicable Laws or the direction of a Regulatory Authority).

6. **Conditions Precedent to the Obligations of PMI.**

(a) The obligations of PMI under this Agreement are subject to the satisfaction of the following conditions precedent on or prior to each Closing Date:

(1) As of each Closing Date, no action or proceeding shall have been instituted or threatened against PMI or Bank to prevent or restrain the consummation of the transactions contemplated hereby, and, on each Closing Date, there shall be no injunction, decree, or similar restraint preventing or restraining such consummation;

(2) The representations and warranties of Bank set forth in Section 4 shall be true and correct in all material respects on each Closing Date as though made on and as of such date; and

(3) The obligations of Bank set forth in this Agreement to be performed on or before each Closing Date shall have been performed in all material respects as of such date by Bank.

7. **Conditions Precedent to the Obligations of Bank.**

(a) The obligations of Bank in this Agreement are subject to the satisfaction of the following conditions precedent on or prior to each Closing Date:

(1) As of each Closing Date, no action or proceeding shall have been instituted or threatened against a Prosper Party or Bank to prevent or restrain the consummation of the purchase or other transactions contemplated hereby, and, on each Closing Date, there shall be no injunction, decree, or similar restraint preventing or restraining such consummation;

(2) The representations and warranties of the Prosper Parties set forth in the Program Documents shall be true and correct in all material respects on each Closing Date as though made on and as of such date; and

(3) The obligations of the Prosper Parties set forth in the Program Documents to be performed on or before each Closing Date shall have been performed in all material respects as of such date by the Prosper Parties.

8. **Term and Termination.**

(a) This Agreement shall have an initial term beginning on the Effective Date and ending thirty-six (36) months thereafter (the "Initial Term") and shall renew automatically for two (2) successive terms of one (1) year each (each a "Renewal Term," collectively, the Initial Term and Renewal Term(s) shall be referred to as the "Term"), unless PMI provides notice of non-renewal to Bank or Bank provides notice of non-renewal to PMI, in each case, at least ninety (90) days prior to the end of the Initial Term or any Renewal Term or this Agreement is earlier terminated in accordance with the provisions hereof.

(b) In the event that PMI terminates the Loan Account Program Agreement pursuant to Section 10(c) thereof, this Agreement shall automatically terminate on the effective date of termination of the Loan Account Program Agreement.

(c) Bank shall have the right to terminate this Agreement immediately upon written notice to the Prosper Parties in any of the following circumstances:

(1) any representation or warranty made by a Prosper Party in this Agreement shall be incorrect in any material respect and shall not have been corrected within thirty (30) Business Days after written notice thereof has been given to such Prosper Party;

(2) either Prosper Party shall default in the performance of any obligation or undertaking under this Agreement and such default shall continue for thirty (30) Business Days after written notice thereof has been given to such Prosper Party;

(3) either Prosper Party shall commence a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official or to any involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(4) an involuntary case or other proceeding, whether pursuant to banking regulations or otherwise, shall be commenced against either Prosper Party seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property or an order for relief shall be entered against either Party under the federal bankruptcy laws as now or hereafter in effect;

(5) there is a materially adverse change in the financial condition of either Prosper Party;

(6) any Party has terminated the Loan Account Program Agreement and any applicable notice period provided in the Loan Account Program Agreement has expired; or

(7) Bank is deemed to be a "sponsor" or "securitizer" under any rule, regulation or order the Securities and Exchange Commission with respect to any security issued by a Prosper Party.

(d) PMI shall have the right to terminate this Agreement immediately upon written notice to Bank in any of the following circumstances:

(1) any representation or warranty made by Bank in this Agreement shall be incorrect in any material respect and shall not have been corrected within thirty (30) Business Days after written notice thereof has been given to Bank;

(2) Bank shall default in the performance of any obligation or undertaking under this Agreement and such default shall continue for thirty (30) Business Days after written notice thereof has been given to Bank;

(3) Bank shall commence a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official or to any involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(4) an involuntary case or other proceeding, whether pursuant to banking regulations or otherwise, shall be commenced against Bank seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property or an order for relief shall be entered against Bank under the federal bankruptcy laws as now or hereafter in effect;

(5) there is a materially adverse change in the financial condition of Bank; or

(6) any Party has terminated the Loan Account Program Agreement and any applicable notice period provided in the Loan Account Program Agreement has expired.

(e) Bank may terminate this Agreement immediately upon written notice to PMI if PMI defaults on its obligation to make a payment to Bank as provided in Section 2 of this Agreement or its obligation to maintain the Control Account Agreement as provided in Section 3(d) of this Agreement.

(f) The termination of this Agreement either in part or in whole shall not discharge any Party from any obligation incurred prior to such termination, including any obligation with respect to Loan Accounts sold prior to such termination.

(g) Upon termination of this Agreement, PMI shall purchase any Loan Accounts established by Bank under the Loan Account Program Agreement prior to and on the date of termination of the Loan Account Program Agreement that have not already been purchased by PMI and any Loan Accounts originated by Bank after termination of this Agreement, if such Loan Accounts are originated in accordance with Section 10(e) of the Loan Account Program Agreement.

(h) Bank may terminate this Agreement immediately upon written notice to PMI if Bank incurs any Loss that would have been subject to indemnification under Section 10(a) but for the application of Applicable Laws that limit or restrict Bank's ability to seek such indemnification.

(i) The terms of this Section 8 shall survive the expiration or earlier termination of this Agreement.

9. **Confidentiality.**

(a) Each Party agrees that Confidential Information of each other Party shall be used by such Party solely in the performance of its obligations and exercise of its rights pursuant to the Program Documents. Except as required by Applicable Laws or legal process, no Party (the "Restricted Party") shall disclose Confidential Information of any other Party to third parties; provided, however, that the Restricted Party may disclose Confidential Information of the other Party (i) to the Restricted Party's Affiliates, agents, representatives or subcontractors for the sole purpose of fulfilling the Restricted Party's obligations under this Agreement (as long as the Restricted Party exercises reasonable efforts to prohibit any further disclosure by its Affiliates, agents, representatives or subcontractors), provided that in all events, the Restricted Party shall be responsible for any breach of the confidentiality obligations hereunder by any of its Affiliates, agents (other than a Prosper Party as agent for Bank), representatives or subcontractors, (ii) to the Restricted Party's auditors, accountants and other professional advisors, or to a Regulatory Authority, or (iii) to any other third party as mutually agreed by the Parties.

(b) A Party's Confidential Information shall not include information that:

(1) is generally available to the public;

(2) has become publicly known, without fault on the part of the Party who now seeks to disclose such information (the "Disclosing Party"), subsequent to the Disclosing Party acquiring the information;

(3) was otherwise known by, or available to, the Disclosing Party prior to entering into this Agreement; or

(4) becomes available to the Disclosing Party on a non-confidential basis from a Person, other than a Party to this Agreement, who is not known by the Disclosing Party after reasonable inquiry to be bound by a confidentiality agreement with the non-Disclosing Party or otherwise prohibited from transmitting the information to the Disclosing Party.

(c) Upon written request or upon the termination of this Agreement, each Party shall, within thirty (30) days, return to each other Party all Confidential Information of the other Party in its possession that is in written form, including by way of example, but not limited to, reports, plans, and manuals; provided, however, that each Party may maintain in its possession all such Confidential Information of each other Party required to be maintained under Applicable Laws relating to the retention of records for the period of time required thereunder or stored on such Party's network as part of standard back-up procedures (provided that such information shall remain subject to the confidentiality provisions of this Section 9).

(d) In the event that a Restricted Party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information of any other Party, the Restricted Party shall provide such other Party with prompt notice of such request(s) so that the other Party may seek an appropriate protective order or other appropriate remedy and/or waive the Restricted Party's compliance with the provisions of this Agreement. In the event that the other Party does not seek such a protective order or other remedy, or such protective order or other remedy is not obtained, or the other Party grants a waiver hereunder, the Restricted Party may furnish that portion (and only that portion) of the Confidential Information of the other Party which the Restricted Party is legally compelled to disclose and shall exercise such efforts to obtain reasonable assurance that confidential treatment shall be accorded any Confidential Information of the other Party so furnished as the Restricted Party would exercise in assuring the confidentiality of any of its own Confidential Information.

(e) Notwithstanding any provisions of this Agreement to the contrary, PFL agrees that PMI may use, retain and disclose all Confidential Information of PFL obtained by PMI without regard to the provisions of this Section 9.

(f) The terms of this Section 9 shall survive the expiration or earlier termination of this Agreement.

10. **Indemnification.**

(a) PMI agrees to defend, indemnify, and hold harmless Bank and its Affiliates, and the officers, directors, employees, representatives, shareholders, agents and attorneys of such entities (the "Indemnified Parties") from and against any and all claims, actions, liability, judgments, damages, costs and expenses, including reasonable attorneys' fees ("Losses") to the extent arising from Bank's participation in the Program as contemplated by the Program Documents (including Losses arising from a violation of Applicable Laws or a breach by PMI or its agents or representatives of any of PMI's representations, warranties, obligations or undertakings under the Program Documents, and including Securitization Losses), unless such Loss results from (i) the gross negligence or willful misconduct of Bank, or (ii) Bank's failure to timely transfer the Funding Amount to the extent required under Section 6(b) of the Loan Account Program Agreement, provided that PMI or PFL, as applicable is not in breach of any of its obligations under the Program Documents, including, but not limited to, PMI's or PFL's obligations with respect to the purchase of Loan Accounts under this Agreement or the Stand By Loan Purchase Agreement.

(b) To the extent permitted by Applicable Laws, any Indemnified Party seeking indemnification hereunder shall promptly notify PMI, in writing, of any notice of the assertion by any third party of any claim or of the commencement by any third party of any legal or regulatory proceeding, arbitration or action, or if the Indemnified Party determines the existence of any such claim or the commencement by any third party of any such legal or regulatory proceeding, arbitration or action, whether or not the same shall have been asserted or initiated, in any case with respect to which PMI is or may be obligated to provide indemnification (an "Indemnifiable Claim"), specifying in reasonable detail the nature of the Loss and, if known, the amount or an estimate of the amount of the Loss; provided, that failure to promptly give such notice shall only limit the liability of PMI to the extent of the actual prejudice, if any, suffered by PMI as a result of such failure. The Indemnified Party shall provide to PMI as promptly as practicable thereafter information and documentation reasonably requested by PMI to defend against the Indemnifiable Claim.

(c) PMI shall have ten (10) days after receipt of any notification of an Indemnifiable Claim (a "Claim Notice") to notify the Indemnified Party of PMI's election to assume the defense of the Indemnifiable Claim and, through counsel of its own choosing, and at its own expense, to commence the settlement or defense thereof, and the Indemnified Party shall cooperate with PMI in connection therewith if such cooperation is so requested and the request is reasonable; provided that PMI shall hold the Indemnified Party harmless from all its reasonable out-of-pocket expenses, including reasonable attorneys' fees, incurred in connection with the Indemnified Party's cooperation; provided, further, that if the Indemnifiable Claim relates to a matter before a Regulatory Authority, the Indemnified Party may elect, upon notice to PMI, to assume the defense of the Indemnifialbe Claim at the cost of and with the cooperation of PMI. If PMI assumes responsibility for the settlement or defense of any such claim, (i) PMI shall permit the Indemnified Party to participate at the Indemnified Party's expense in such settlement or defense through counsel chosen by the Indemnified Party; provided that, in the event that both PMI and the Indemnified Party are defendants in the proceeding and the Indemnified Party shall have reasonably determined and notified PMI that representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them, then the fees and expenses of one such counsel for all Indemnified Parties in the aggregate shall be borne by PMI; and (ii) PMI shall not settle any Indemnifiable Claim without the Indemnified Party's consent.

(d) If PMI does not notify the Indemnified Party within ten (10) days after receipt of the Claim Notice that it elects to undertake the defense of the Indemnifiable Claim described therein, or if PMI fails to contest vigorously any such Indemnifiable Claim, or if the Indemnified Party elects to control the defense of an Indemnifiable Claim as permitted by Section 10(c), then, in each case, the Indemnified Party shall have the right, upon notice to PMI, to contest, settle or compromise the Indemnifiable Claim in the exercise of its reasonable discretion; provided that the Indemnified Party shall notify PMI prior thereto of any compromise or settlement of any such Indemnifiable Claim. No action taken by the Indemnified Party pursuant to this paragraph (d) shall deprive the Indemnified Party of its rights to indemnification pursuant to this Section 10.

(e) PMI agrees to defend, indemnify, and hold harmless PFL, Bank and their respective Affiliates, and the officers, directors, employees, representatives, shareholders, agents and attorneys of such entities (the "PMI Indemnified Parties") from and against any and all claims, actions, liability, judgments, damages, costs and expenses, including reasonable attorneys' fees ("PMI Losses") to the extent arising from (I) Securitization Losses or (II) PMI's actions or nonperformance hereunder (including actions or nonperformance of PFL's obligations), but solely in its various capacities as corporate administrator, loan servicer or platform administrator on behalf of PFL after the Changeover Date, as contemplated by the Program Documents (including PMI Losses arising from a violation of Applicable Laws or a breach by PMI or its agents or representatives of any of PMI's representations, warranties, obligations or undertakings under applicable the Program Documents, but solely in its various capacities as corporate administrator, loan servicer or platform administrator), unless such PMI Loss results from (i) in the case of indemnification of PFL or its Affiliates, and the officers, directors, employees, representatives, shareholders, agents and attorneys of such entities, (A) the gross negligence or willful misconduct of PFL, (B) a breach by PFL of any of PFL's representations, warranties, obligations or undertakings under this Agreement, or (C) a breach by PFL of any of PFL's other representations, warranties, obligations or undertakings under this Agreement, and (ii) in the case of indemnification of Bank or its Affiliates, and the officers, directors, employees, representatives, shareholders, agents and attorneys of such entities, (A) the gross negligence or willful misconduct of Bank, or (B) Bank's failure to timely transfer the Funding Amount to the extent required under Section 6(b) of the Loan Account Program Agreement, provided that the Prosper Parties are not in breach of any of their respective obligations under the Program Documents.

(f) To the extent permitted by Applicable Laws, any PMI Indemnified Party seeking indemnification hereunder shall promptly notify PMI, in writing, of any notice of the assertion by any third party of any claim or of the commencement by any third party of any legal or regulatory proceeding, arbitration or action, or if the PMI Indemnified Party determines the existence of any such claim or the commencement by any third party of any such legal or regulatory proceeding, arbitration or action, whether or not the same shall have been asserted or initiated, in any case with respect to which PMI is or may be obligated to provide indemnification (a "PMI Indemnifiable Claim"), specifying in reasonable detail the nature of the PMI Loss and, if known, the amount or an estimate of the amount of the PMI Loss; provided, that failure to promptly give such notice shall only limit the liability of PMI to the extent of the actual prejudice, if any, suffered by PMI as a result of such failure. The PMI Indemnified Party shall provide to PMI as promptly as practicable thereafter information and documentation reasonably requested by PMI to defend against the PMI Indemnifiable Claim.

(g) PMI shall have ten (10) days after receipt of any notification of a PMI Indemnifiable Claim (a "PMI Claim Notice") to notify the PMI Indemnified Party of PMI's election to assume the defense of the PMI Indemnifiable Claim and, through counsel of its own choosing, and at its own expense, to commence the settlement or defense thereof, and the PMI Indemnified Party shall cooperate with PMI in connection therewith if such cooperation is so requested and the request is reasonable; provided that PMI shall hold the PMI Indemnified Party harmless from all its reasonable out-of-pocket expenses, including reasonable attorneys' fees, incurred in connection with the PMI Indemnified Party's cooperation; provided, further, that if the PMI Indemnifiable Claim relates to a matter before a Regulatory Authority, the PMI Indemnified Party may elect, upon notice to PMI, to assume the defense of the PMI Indemnifiable Claim at the cost of and with the cooperation of PMI. If PMI assumes responsibility for the settlement or defense of any such claim, (i) PMI shall permit the PMI Indemnified Party to participate at the PMI Indemnified Party's expense in such settlement or defense through counsel chosen by the PMI Indemnified Party; provided that, in the event that both PMI and the PMI Indemnified Party are defendants in the proceeding and the PMI Indemnified Party shall have reasonably determined and notified PMI that representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them, then the fees and expenses of one such counsel for all PMI Indemnified Parties in the aggregate shall be borne by PMI; and (ii) PMI shall not settle any PMI Indemnifiable Claim without the PMI Indemnified Party's consent.

(h) If PMI does not notify the PMI Indemnified Party within ten (10) days after receipt of the PMI Claim Notice that it elects to undertake the defense of the PMI Indemnifiable Claim described therein, or if PMI fails to contest vigorously any such PMI Indemnifiable Claim, or if the PMI Indemnified Party elects to control the defense of an PMI Indemnifiable Claim as permitted by Section 10(g), then, in each case, the PMI Indemnified Party shall have the right, upon notice to PMI, to contest, settle or compromise the PMI Indemnifiable Claim in the exercise of its reasonable discretion; provided that the PMI Indemnified Party shall notify PMI prior thereto of any compromise or settlement of any such PMI Indemnifiable Claim. No action taken by the PMI Indemnified Party pursuant to this paragraph (h) shall deprive the PMI Indemnified Party of its rights to indemnification pursuant to this Section 10.

(i) All amounts due under this Section 10 shall be payable not later than ten (10) days after written demand therefor.

(j) The terms of this Section 10 shall survive the expiration or earlier termination of this Agreement.

11. **Assignment.** This Agreement and the rights and obligations created under it shall be binding upon and inure solely to the benefit of the Parties and their respective successors, and permitted assigns. Except as set forth in Section 32 hereof, none of the Parties shall be entitled to assign or transfer any rights or obligations under this Agreement (including by operation of law) without the prior written consent of the other Parties, which shall not be unreasonably withheld or delayed. Except as set forth in Section 32 hereof, no assignment made in conformity with this Section 11 shall relieve a Party of its obligations under this Agreement.

12. **Third Party Beneficiaries.** Nothing contained herein shall be construed as creating a third-party beneficiary relationship between any Party and any other Person.

13. **Proprietary Materials.** Bank hereby provides the Prosper Parties with a non-exclusive right and non-assignable license to use and reproduce Bank's name, logo, registered trademarks and service marks (collectively "Marks") as necessary to fulfill the Party's obligations under this Agreement; provided, however, that (a) the Prosper Parties shall obtain Bank's prior written approval for the use of Bank's Marks and such use shall at all times comply with written instructions provided by Bank regarding the use of its Marks; and (b) the Prosper Parties acknowledge that, except as specifically provided in this Agreement, the shall acquire no interest in Bank's Marks. Upon termination of this Agreement, the Prosper Parties shall cease using Bank's Marks. No Party may use another Party's Marks in any press release without the prior written consent of the other Parties.

14. **Notices.** All notices and other communications that are required or may be given in connection with this Agreement shall be in writing and shall be deemed received (a) on the day delivered, if delivered by hand; (b) or the day transmitted, if transmitted by facsimile or e-mail with receipt confirmed; or (c) three (3) Business Days after the date of mailing to the other party, if mailed first-class mail postage prepaid, at the following address, or such other address as either party shall specify in a notice to the other:

To Bank:
WebBank
Attn: Senior Vice President – Strategic Partners
215 S. State Street, Suite 800
Salt Lake City, UT 84111
Tel. (801) 456-8398
Fax: (801) 456-8398
Email: strategicpartnerships@webbank.com

With a copy to:
WebBank
Attn: Compliance Officer
215 S. State Street, Suite 800
Salt Lake City, UT 84111
Tel. (801) 456-8363
Fax: (801) 456-8363
Email: complianceofficer@webbank.com

To PMI or PFL:
c/o Prosper Marketplace, Inc.
111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Attn: Kirk T. Inglis
E-mail Address: kirk@prosper.com
Telephone: (415) 593-5432
Facsimile: (415) 362-7233

15. **Relationship of Parties.** The Parties agree that in performing their respective responsibilities pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between and among Bank and the Prosper Parties.

16. **Retention of Records.** Any Records with respect to Loan Accounts purchased by PMI pursuant hereto retained by Bank shall be held as custodian for the account of Bank and PMI as owners thereof. Bank shall provide copies of Records to PMI upon reasonable request of PMI.

17. **Agreement Subject to Applicable Laws.** If (a) any Party has been advised by legal counsel of a change in Applicable Laws or any judicial decision of a court having jurisdiction over such Party or any interpretation of a Regulatory Authority that, in the view of such legal counsel, would have a materially adverse effect on the rights or obligations of such Party under this Agreement or the financial condition of such Party, (b) any Party receives a request of any Regulatory Authority having jurisdiction over such Party, including any letter or directive of any kind from any such Regulatory Authority, that prohibits or restricts such Party from carrying out its obligations under this Agreement, or (c) any Party has been advised by legal counsel that there is a material risk that such Party's or any other Party's continued performance under this Agreement would violate Applicable Laws, then the affected Party shall provide written notice to each other Party of such advisement or request and the Parties shall meet and consider in good faith any modifications, changes or additions to the Program or the Program Documents that may be necessary to eliminate such result. Notwithstanding any other provision of the Program Documents, including Section 8 hereof, if the Parties are unable to reach agreement regarding such modifications, changes or additions to the Program or the Program Documents within [*] after the Parties initially meet, any Party may terminate this Agreement upon [*] prior written notice to the other Parties. A Party may suspend performance of its obligations under this Agreement, or require each other Party to suspend its performance of its obligations under this Agreement, upon providing the other Parties with advance written notice, if any event described in subsection 17(a), (b) or (c) above occurs.

18. **Expenses.**

(a) Each Party shall bear the costs and expenses of performing its obligations under this Agreement, unless expressly provided otherwise in the Program Documents.

(b) Each Party shall be responsible for payment of any federal, state, or local taxes or assessments associated with the performance of its obligations under this Agreement.

19. **Examination.** Each Party agrees to submit to any examination that may be required by a Regulatory Authority having jurisdiction over any other Party, during regular business hours and upon reasonable prior notice, and to otherwise provide reasonable cooperation to such other Party in responding to such Regulatory Authority's inquiries and requests related to the Program.

20. **Inspection; Reports.** Each Party, upon reasonable prior notice from any other Party, agrees to submit to an inspection of its books, records, accounts, and facilities relevant to the Program, from time to time, during regular business hours subject to the duty of confidentiality such Party owes to its customers and banking secrecy and confidentiality requirements otherwise applicable to such Party under Applicable Laws. All expenses of inspection shall be borne by the Party conducting the inspection. Notwithstanding the obligation of each Party to bear its own expenses of inspection, PMI shall reimburse Bank for reasonable out of pocket expenses incurred by Bank in the performance of periodic on site reviews of PMI's financial condition, operations and internal controls, not to exceed the maximum amount per visit of [*].

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* **Confidential Treatment Requested**

21. **Governing Law; Waiver of Jury Trial.** This Agreement shall be interpreted and construed in accordance with the laws of the State of Utah, without giving effect to the rules, policies, or principles thereof with respect to conflicts of laws. THE PARTIES HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER. The terms of this Section 21 shall survive the expiration or earlier termination of this Agreement.

22. **Manner of Payments.** Unless the manner of payment is expressly provided herein, all payments under this Agreement shall be made by wire transfer to the bank accounts designated by the respective Parties. Notwithstanding anything to the contrary contained herein, no Party shall fail to make any payment required of it under this Agreement as a result of a breach or alleged breach by any other Party of any of its obligations under this Agreement or any other agreement, provided that the making of any payment hereunder shall not constitute a waiver by the Party making the payment of any rights it may have under the Program Documents or by law.

23. **Brokers.** None of the Parties has agreed to pay any fee or commission to any agent, broker, finder, or other person for or on account of services rendered as a broker or finder in connection with this Agreement or the transactions contemplated hereby that would give rise to any valid claim against any other Party for any brokerage commission or finder's fee or like payment.

24. **Entire Agreement.** The Program Documents, including this Agreement and its schedules and exhibits (all of which schedules and exhibits are hereby incorporated into this Agreement), constitute the entire agreement among the Parties with respect to the subject matter hereof, and supersede any prior or contemporaneous negotiations or oral or written agreements with regard to the same subject matter.

25. **Amendment and Waiver.** Except as set forth in Section 32 hereof, this Agreement may be amended only by a written instrument signed by all of the Parties. The failure of a Party to require the performance of any term of this Agreement or the waiver by a Party of any default under this Agreement shall not prevent a subsequent enforcement of such term and shall not be deemed a waiver of any subsequent breach. All waivers must be in writing and signed by the Party against whom the waiver is to be enforced.

26. **Severability.** Any provision of this Agreement which is deemed invalid, illegal or unenforceable in any jurisdiction, shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining portions hereof in such jurisdiction or rendering such provision or any other provision of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

27. **Interpretation.** The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments thereto, and the same shall be construed neither for nor against any Party, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the Parties.

28. **Jurisdiction; Venue.** The Parties consent to the personal jurisdiction and venue of the federal and state courts in Salt Lake City, Utah for any court action or proceeding. The terms of this Section 28 shall survive the expiration or earlier termination of this Agreement.

29. **Headings.** Captions and headings in this Agreement are for convenience only and are not to be deemed part of this Agreement.

30. **Counterparts.** This Agreement may be executed and delivered by the Parties in any number of counterparts, and by different parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

31. **Financial Statements.** (a) Within ninety (90) days following the end of PFL's fiscal year, PFL shall deliver to Bank a copy of PFL's audited financial statements prepared by an independent certified public accountant, and (b) within forty-five (45) days following the end of each of PFL's fiscal quarters (other than year-end), PFL shall deliver to Bank a copy of PFL's unaudited financial statements, in each case as of the year or quarter then ended and prepared in accordance with generally accepted accounting principles; provided that, as long as PFL is required to file periodic reports under the Securities Exchange Act of 1934, such filings shall satisfy the financial statement delivery requirements set forth above. PFL shall also deliver such additional unaudited financial statements and other information as Bank may request from time to time, within a reasonable period of time following such request.

32. **New Public Offering.**

(a) On the Changeover Date, this Agreement shall automatically be amended as follows, effective as of the Changeover Date:

(1) Except as set forth in subparagraph (4) through (6) below, all duties, obligations, covenants, representations and warranties of PMI hereunder shall be assigned by PMI to, and shall be fully assumed by, PFL, upon which assumption, PMI shall be fully released and discharged from any and all such duties, obligations, covenants, representations and warranties to the extent relating to any period, or any acts or omissions occurring, subsequent to such assignment and assumption;

(2) Except as stated in subparagraphs (4) through (6) below, PMI shall assign to PFL all of its rights under this Agreement, and all covenants, representations and warranties made by Bank for the benefit of PMI shall be deemed to be made by it for the benefit of PFL;

(3) Except as stated in subparagraphs (4) through (6) below, all references to PMI in this Agreement shall be deemed references to PFL;

(4) The obligations and rights of PMI under Sections 10(e) through (h) hereof shall not be assigned to PFL; rather PMI shall remain solely liable to PFL and Bank in respect of such obligations and shall remain solely entitled to exercise any rights of PMI set forth in Sections 10(e) through (h); For the avoidance of doubt, the Parties hereby acknowledge and agree that the obligations of PMI under Sections 10(a) through (d) hereof shall be assumed by PFL. After the Changeover Date, PFL shall provide to Bank the indemnity set forth in Sections 10(a) through (d). The references to "PMI" in Sections 10(a) through (d) shall thereafter refer to "PFL" (not "PMI"), except with respect to the references to "PMI" in Section 10(a)(ii), which shall not be deemed to be replaced with "PFL";

(5) All references to "PMI" in the introductory paragraph, the recitals, Sections 5(a)(1), 5(a)(4), 8(b), 9(e) and 14, this Section 32, the signature page and Schedule 5(a)(4) of this Agreement shall not be deemed to be replaced with "PFL" but shall continue to be references to PMI; and

(6) PMI shall remain obligated to perform, and shall remain entitled to exercise, from and after the Changeover Date any obligations or rights that apply to it in its capacity as a "Party" or a "Prosper Party" as stated in this Agreement, and any obligation or rights arising prior to the Changeover Date.

(b) Bank acknowledges and agrees that PFL and PMI are separate legal entities and that neither Prosper Party has guaranteed the performance by the other Prosper Party of its obligations hereunder. Accordingly, Bank agrees that (i) PFL shall have no liability for the performance by PMI of its obligations, and (ii) subject to Section 10, PMI shall have no liability for the performance by PFL of its obligations.

(c) The Prosper Parties shall written notice to the Bank of the Changeover Date at least ten (10) Business Days in advance thereof.

33. **Performance By Servicer.** Bank acknowledges and agrees that after the Changeover Date (a) PMI will continue to perform its obligations under the Sections listed in Sections 32(a)(4) through (6) as party to this Agreement for and on behalf of itself, and (b) PMI may perform, on behalf of PFL, any obligations of PFL to Bank under this Agreement (other than payment obligations), but solely in its various capacities as corporate administrator, loan servicer, platform administrator or similar capacity under any administration, corporate administration, loan servicing, platform administration or similar agreement entered into between PMI and PFL pursuant to which PFL appoints PMI as corporate administrator, loan servicer, platform administrator or in a similar capacity to provide corporate administration, loan servicing, platform administration or similar services to PFL in relation to the New Public Offering. The Prosper Parties may not amend the Servicing Agreement or transfer the corporate administration, loan servicing, platform administration or similar services to any party other than PMI or PFL without the written consent of Bank.

34. **Limited Recourse.** The obligations of PFL under this Agreement are solely the obligations of PFL. No recourse shall be had for the payment of any amount owing by PFL under this Agreement, or any other obligation of or claim against PFL arising out of or based upon this Agreement, against any organizer, member, director, officer, manager or employee of PFL or any of its Affiliates; provided, however, that the foregoing shall not relieve any such person of any liability it might otherwise have as a result of fraudulent actions or omissions taken by it. Each of Bank and PMI agrees that PFL shall be liable for any claims against PFL only to the extent that PFL has funds available to pay such claims at any time. PFL agrees that Bank shall have recourse to the Control Account as permitted under the Control Account Agreement. The terms of this Section 34 shall survive any termination of this Agreement.

35. **No Petition.** Each of Bank and PMI hereby covenants and agrees that it will not institute against, or join or assist any other Person in instituting against, PFL any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other similar proceeding under the laws of any jurisdiction for one year and a day after all of the borrower payment dependent notes of PFL have been paid in full. The terms of this Section 35 shall survive any termination of this Agreement**.**

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

WEBBANK

By: /s/ Kelly M. Barnett
Name: Kelly M. Barnett
Title: President

PROSPER MARKETPLACE, INC.

By: /s/ Stephan P. Vermut
Name: Stephan P. Vermut
Title: CEO

PROSPER FUNDING LLC

By: /s/ Sachin Adarkar
Name: Sachin Adarkar
Title: Secretary

Schedule 1

Definitions

(a) "ACH" means the Automated Clearinghouse.

(b) "Affiliate" means, with respect to a Party, a Person who directly or indirectly controls, is controlled by or is under common control with the Party. For the purpose of this definition, the term "control" (including with correlative meanings, the terms controlling, controlled by and under common control with) means the power to direct the management or policies of such Person, directly or indirectly, through the ownership of twenty-five percent (25%) or more of a class of voting securities of such Person.

(c) "Agreement" has the meaning set forth in the introductory paragraph.

(d) "Applicable Laws" means all federal, state and local laws, statutes, regulations and orders applicable to a Party or relating to or affecting any aspect of the Program (including the Loan Accounts), and all requirements of any Regulatory Authority having jurisdiction over a Party, as any such laws, statutes, regulations, orders and requirements may be amended and in effect from time to time during the term of this Agreement.

(e) "Borrower" means an Applicant or other Person for whom Bank has established a Loan Account and/or who is liable, jointly or severally, for amounts owing with respect to a Loan Account.

(f) "Business Day" means any day, other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions in the State of Utah are authorized or obligated by law or executive order to be closed.

(g) "Claim Notice" shall have the meaning set forth in subsection 10(c).

(h) "Closing Date" means each date on which PMI pays Bank the Purchase Price for a Loan Account and, pursuant to Section 2 hereof, acquires such Loan Account from Bank.

(i) "Confidential Information" means the terms and conditions of this Agreement, and any proprietary information or non-public information of a Party, including a Party's proprietary marketing plans and objectives, that is furnished to another Party in connection with this Agreement.

(j) "Changeover Date" means the date on which the New Public Offering commences.

(k) "Control Account" means an account established by PMI and held at the Control Institution in accordance with the terms of the Control Account Agreement.

(l) "Control Account Agreement" means the account agreement attached hereto as Exhibit A.

(m) "Control Institution" means the depository institution at which the Control Account is established, which initially shall be Wells Fargo Bank, N.A., and may be changed by agreement among the Parties.

(n) "Disclosing Party" shall have the meaning set forth in subsection 9(b)(2).

(o) "Effective Date" shall have the meaning set forth in the introductory paragraph of this Agreement.

(p) "Existing Program Agreement" means the Amended and Restated Loan Account Program Agreement dated as of September 14, 2010 between Bank and PMI.

(q) "Existing Sale Agreement" shall have the meaning set forth in the recitals to this Agreement.

(r) "Funding Date" shall have the meaning set forth in the Loan Account Program Agreement.

(s) "Holding Period Interest Charge" means, for each Loan Account purchased by PMI from Bank hereunder, [*].

(t) "Indemnifiable Claim" shall have the meaning set forth in subsection 10(b).

(u) "Indemnified Parties" shall have the meaning set forth in subsection 10(a).

(v) "Insolvent" means the failure to pay debts in the ordinary course of business, the inability to pay its debts as they come due or the condition whereby the sum of an entity's debts is greater than the sum of its assets.

(w) "Loan Account" means a consumer installment loan account established by Bank pursuant to the Loan Account Program Agreement. For purposes of this Agreement, each Loan Account includes all rights of Bank to payment under the applicable Loan Account Agreement with such Borrower.

(x) "Loan Account Agreement" means the document containing the terms and conditions of a Loan Account including all disclosures required by Applicable Laws.

(y) "Loan Account Program Agreement" shall have the meaning set forth in the recitals to this Agreement.

(z) "Losses" shall have the meaning set forth in subsection 10(a).

(aa) "Marks" shall have the meaning set forth in Section 13.

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* **Confidential Treatment Requested**

(bb) "New Public Offering" shall have the meaning set forth in the recitals to this Agreement.

(cc) "Party" means PFL, PMI or Bank and "Parties" means PFL, PMI and Bank.

(dd) "Person" means any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity, or other entity of similar nature.

(ee) "Program" means the consumer installment loan program contemplated by the Program Documents pursuant to which Bank shall establish Loan Accounts and disburse Loan Proceeds to Borrowers.

(ff) "Program Documents" means the Loan Account Program Agreement, the Stand By Loan Purchase Agreement, and this Agreement.

(gg) "Prosper Parties" means PFL and PMI.

(hh) "Purchase Price" means, with respect to a Loan Account, the sum of (i) the principal amount of the Loan Proceeds disbursed pursuant to such Loan Account, (ii) the related Origination Fee and (iii) the Holding Period Interest Charge for such Loan Account.

(ii) "Records" means any Loan Account Agreements, applications, change-of-terms notices, credit files, credit bureau reports, transaction data, records, or other documentation (including computer tapes, magnetic files, and information in any other format).

(jj) "Regulatory Authority" means any federal, state or local regulatory agency or other governmental agency or authority having jurisdiction over a Party and, in the case of Bank, shall include, but not be limited to, the Utah Department of Financial Institutions and the Federal Deposit Insurance Corporation.

(kk) "Restricted Party" shall have the meaning set forth in subsection 9(a).

(ll) "Securitization Losses" means Losses or PMI Losses that arise as a result of or in connection with (i) any security issued by a Prosper Party, (ii) any security issued by a Prosper Party being deemed to be an "asset-backed security" (as defined under 17 C.F.R. § 229.1101(c) or Section 3(a)(77) of the Securities Exchange Act of 1934) or (iii) Bank being deemed to be a "sponsor" or "securitizer" under any rule, regulation or order the Securities and Exchange Commission with respect to any security issued by a Prosper Party.

(mm) "Servicing Agreement" means any administration, corporate administration, loan servicing, platform administration or similar agreement pursuant to which PFL appoints PMI as corporate administrator, loan servicer, platform administrator or in a similar capacity to provide services to PFL in relation to the Loan Accounts and the New Public Offering.

(nn) "Stand By Loan Purchase Agreement" means that Stand By Loan Purchase Agreement, dated as of even date herewith, between Bank and PMI.

II. Construction

As used in this Agreement:

(a) All references to the masculine gender shall include the feminine gender (and vice versa);

(b) All references to "include," "includes," or "including" shall be deemed to be followed by the words "without limitation";

(c) References to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation;

(d) References to "dollars" or "$" shall be to United States dollars unless otherwise specified herein;

(e) Unless otherwise specified, all references to days, months or years shall be deemed to be preceded by the word "calendar";

(f) All references to "quarter" shall be deemed to mean calendar quarter; and

(g) The fact that a Party has provided approval or consent shall not mean or otherwise be construed to mean that: (i) such Party has performed any due diligence with respect to the requested or required approval or consent, as applicable; (ii) such Party agrees that the item or information for which the other Party seeks approval or consent complies with any Applicable Laws; (iii) such Party has assumed the other Party's obligations to comply with all Applicable Laws arising from or related to any requested or required approval or consent; or (iv) except as otherwise expressly set forth in such approval or consent, such Party's approval or consent impairs in any way such Party's rights or remedies under the Agreement, including indemnification rights for PMI's or PFL's failure to comply with all Applicable Laws.

Schedule 2

The following terms shall apply as if fully set forth in the Agreement:

(a) Bank hereby agrees to sell, transfer, assign, set-over, and otherwise convey to PMI, without recourse and with servicing released, on each Closing Date, the Loan Accounts established by Bank [*]. All of the foregoing shall be in accordance with the procedures set forth in this Schedule 2 and Section 2 of the Agreement. In consideration for Bank's agreement to sell, transfer, assign, set-over and convey to PMI such Loan Accounts, PMI agrees to purchase such Loan Accounts from Bank, and PMI shall pay to Bank the Purchase Price in accordance with subsections 2(b) and 2(c) of the Agreement.

(b) [*], PMI shall pay Bank a monthly fee, which shall be calculated as follows:

(i) [*];

(ii) [*];

(iii) [*];

For the avoidance of doubt, the terms of this Section (b) of Schedule 2 shall apply with respect to the entirety of the calendar month in which the Effective Date of the Agreement occurs.

(c) [*].

(d) With each such monthly payment, PMI shall deliver to Bank a report setting forth the calculation of the payment PMI is obligated to make to Bank pursuant to this Schedule 2.

(e) If the Changeover Date does not occur at the opening of business on the first day of a calendar month, the monthly fee due from the Prosper Parties pursuant to subparagraph (b) above for the calendar month in which the Changeover Date occurs shall be allocated between them pro rata with reference to the Funding Amount of the Loan Accounts purchased by each of them in such month.

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* **Confidential Treatment Requested**

Schedule 5(a)(4)

Litigation

On November 26, 2008, plaintiffs, Christian Hellum, William Barnwell and David Booth, individually and on behalf of all other plaintiffs similarly situated, filed a class action lawsuit against PMI and certain of its executive officers and directors in the Superior Court of California, County of San Francisco, California. The suit was brought on behalf of all persons who had purchased loan notes through PMI's platform from January 1, 2006 through October 14, 2008. The lawsuit alleges that PMI offered and sold unqualified and unregistered securities in violation of the California and federal securities laws. The lawsuit seeks damages and the right of rescission against PMI and the other named defendants, as well as treble damages against PMI and the award of attorneys' fees, experts' fees and costs, and pre-judgment and post-judgment interest.

On February 25, 2011, the plaintiffs filed a Third Amended Complaint, which removed David Booth as a plaintiff and added Brian Russom and Michael Del Greco as plaintiffs. The new plaintiffs are representing the same putative class and prosecuting the same claims as the previously named plaintiffs. On February 29, 2012, the court granted the plaintiffs' motion for class certification.

PMI's insurance carrier with respect to the class action lawsuit, Greenwich Insurance Company ("Greenwich"), denied coverage. On August 21, 2009, PMI filed suit against Greenwich in the Superior Court of California, County of San Francisco, California. The lawsuit sought a declaration that PMI was entitled to coverage under its policy with Greenwich for losses arising out of the class action lawsuit as well as damages and the award of attorneys' fees and pre- and post-judgment interest.

On January 26, 2011, the court issued a final statement of decision finding that Greenwich has a duty to defend the class action lawsuit, and requiring that Greenwich pay PMI's past and future defense costs in the class action suit up to $2 million. Greenwich subsequently made payments to PMI in the amount of $2 million to reimburse PMI for the defense costs it had incurred in the class action suit. As a result, Greenwich has now satisfied its obligations with respect to PMI's defense costs for the *Hellum* suit, with the exception of $142,584 in pre-judgment interest that Greenwich will be required to pay to PMI when a final judgment has been entered in the suit and all appeals have been exhausted.

On July 1, 2011, PMI and Greenwich entered into a Stipulated Order of Judgment pursuant to which PMI agreed to dismiss its remaining claims against Greenwich. On August 12, 2011, Greenwich filed a notice of appeal of the court's decision regarding Greenwich's duty to defend up to $2 million. On July 16, 2012, the California Court of Appeal affirmed the trial court's decision.

Exhibit A

Control Account Agreement

Exhibit 10.6

EXECUTION VERSION

CONFIDENTIAL TREATMENT REQUESTED

WEBBANK

and

PROSPER MARKETPLACE, INC.

SECOND AMENDED AND RESTATED LOAN ACCOUNT PROGRAM AGREEMENT

Dated as of January 25, 2013

SCHEDULES AND EXHIBITS

SCHEDULE 1	Definitions
SCHEDULE 7(b)(4)	Litigation
EXHIBIT A	The Program Website
EXHIBIT B	Credit Policy
EXHIBIT C	Form of Application
EXHIBIT D	Loan Account Documentation
EXHIBIT E	Sample Funding Statement
EXHIBIT F	Insurance Requirements
EXHIBIT G	Program Compliance Manual
EXHIBIT H	Third-Party Service Contractors
EXHIBIT I	Bank Secrecy Act Policy

This SECOND AMENDED AND RESTATED LOAN ACCOUNT PROGRAM AGREEMENT (this "Agreement"), dated as of January 25, 2013 ("Effective Date"), is made by and between WEBBANK, a Utah-chartered industrial bank having its principal location in Salt Lake City, Utah ("Bank"), and PROSPER MARKETPLACE, INC., a Delaware corporation, having its principal location in San Francisco, California ("Company").

WHEREAS, Company is in the business of providing certain services necessary for the origination of consumer installment loans;

WHEREAS, Bank is in the business of originating various types of consumer loans, including installment loans;

WHEREAS, Bank and Company have entered into an Amended and Restated Loan Account Program Agreement, dated as of September 14, 2010, pursuant to which Bank originates installment loans for qualifying consumers identified by Company, and Company markets and provides an online interface and certain other operational services in support of such loan program (the "Existing Program Agreement"); and

WHEREAS, effective as of the Effective Date, the Parties desire to amend and restate the terms of the Existing Program Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants and agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Company mutually agree as follows:

1. Definitions; Effectiveness.

(a) The terms used in this Agreement shall be defined as set forth in Schedule 1, and the rules of construction set forth in Schedule 1 shall apply to this Agreement.

(b) This Agreement shall be effective as of the Effective Date and, as of the Effective Date, shall supersede and replace the Existing Program Agreement. This Agreement shall apply to all Loan Accounts originated by Bank during the term of this Agreement, beginning on the Effective Date. Loans originated on or after the Effective Date shall not be subject to the Existing Program Agreement.

(c) All Loan Accounts originated by Bank prior to the Effective Date shall be governed by the terms of the Existing Program Agreement as in effect at the time that such Loan Accounts were originated, and shall not be subject to the terms of this Agreement.

(d) This Agreement shall not operate so as to render invalid or improper any action heretofore taken under the Existing Program Agreement.

2. Program Marketing and Services.

(a) Bank hereby retains Company to serve as Bank's marketing and operations vendor for the Program. As such, Company shall perform the following services for Bank and the Program:

(1) Company shall promote and otherwise market the Program and the Loan Accounts at Company's own cost. In performing such promotion and other marketing services, (A) Company may devote such monetary and other resources as it deems appropriate in its sole discretion; and (B) Company may use any form of media, provided that Company shall discontinue the use of any specific form of media or media channel if directed to do so by Bank. Company's promotion and marketing efforts shall not be required to produce any minimum number of Loan Accounts or other benefits to the Program during the Term of this Agreement or any year, month, or other period under this Agreement. Company may refer to Bank and the Program in promotional and marketing materials, including marketing scripts, upon the condition that any references to Bank and/or the Program in any such materials (and any changes in such materials) must receive the prior written approval of Bank; provided, however, that Bank's prior written approval shall not be required with respect to lender- oriented communications by Company to its existing customers unless such communications also contain any information (i) directed towards, or about, Borrowers or Applicants, or (ii) describing or otherwise about the application process, in which case Bank's prior written approval of such communications shall be required. Bank may require a change in such materials upon written notice provided to Company to the extent that such change is required by Applicable Laws, or to the extent that Bank determines such change is necessitated by safety and soundness concerns. Company shall ensure that all promotional and marketing materials shall be accurate and not misleading in all material respects. Company shall ensure that all promotional and marketing materials and strategies comply with Applicable Laws.

(2) Company shall host and maintain the Program Website and provide customer support, regulatory compliance, administrative, and other operational services to support Bank's origination of Loan Accounts and the Program generally. Company shall provide such services in a manner consistent with Company's obligations specified in this Agreement and as the Parties may mutually agree in writing from time to time.

(b) Bank acknowledges and agrees that (i) pursuant to Section 12 of this Agreement, Company is licensing to Bank valuable Proprietary Material of Company for use in the marketing and operation of the Program, which includes but is not limited to use of the Program Website; (ii) because the value of such Proprietary Material may be affected by Bank's lending activities under the Program, Company requires Bank to perform and Bank hereby agrees to perform Bank's lending activities under the Program with due regard to Company's interests in such Proprietary Material and in close coordination with Company as specified hereafter in this Agreement; and (iii) the compensation to be paid by Bank to Company under this Agreement is in consideration of Company's licensing of such Proprietary Material to Bank as well as Company's marketing and operational services to Bank and the Program under this Agreement.

3. Extension of Credit. Company acknowledges that approval of an Application creates a creditor-borrower relationship between Bank and Borrower which involves, among other things, the disbursement of Loan Proceeds. Nothing in this Agreement shall obligate Bank to extend credit to an Applicant or disburse Loan Proceeds if Bank determines that doing so would be an unsafe or unsound banking practice or that such extension of credit would be in violation of the Credit Policy. Bank shall use reasonable commercial efforts to provide Company prior notice of a decision not to extend credit to an Applicant or disburse Loan Proceeds in reliance on the preceding sentence and, in all instances where Bank does not provide such prior notice, Bank shall provide Company prompt notice after making a decision not to extend credit to an Applicant or disburse Loan Proceeds in reliance on the preceding sentence.

4. Consumer Documents and Credit Policy. The following documents, terms and procedures ("Consumer Finance Materials") that have been approved by Bank and that will be used by Bank initially with respect to the Loan Accounts are attached to this Agreement: (i) the Program Website (screen shots of each page of the Program Website) as **Exhibit A**; (ii) Credit Policy as **Exhibit B**; (iii) form of Application, including disclosures required by Applicable Laws, as **Exhibit C**; and (iv) form of Loan Account Agreement, privacy policy and privacy notices, and all other Applicant and Borrower communications as **Exhibit D**. The Consumer Finance Materials shall not be changed without the prior written consent of both Parties, which consent shall not be unreasonably withheld or delayed; provided, however, that Bank may change the Consumer Finance Materials upon written notice provided to Company but without Company's prior written consent, to the extent that such change is required by Applicable Laws or necessitated by safety and soundness concerns. The Parties acknowledge that each Loan Account Agreement and all other documents referring to the creditor for the Program shall identify Bank as the creditor for the Loan Accounts. Company shall ensure that the Consumer Finance Materials comply with Applicable Laws.

5. Loan Account Processing and Origination.

(a) On behalf of Bank, Company shall process Applications received from Applicants via the Program Website (including retrieving credit reports) to determine whether the Applicant meets the eligibility criteria set forth in the Credit Policy and Bank's "Know Your Customer" and anti-money laundering criteria (collectively, the "Bank Secrecy Act Policy"), which is attached hereto as **Exhibit I**, and which may be updated by Bank from time to time and such updates shall be effective upon notice to Company as set forth herein. Company shall respond to all inquiries from Applicants regarding the application process.

(b) Company shall forward to Bank mutually agreed information including name, address, social security number and date of birth, regarding Applicants who meet the eligibility criteria set forth in the Credit Policy. Company shall have no discretion to override the Credit Policy with respect to any Applications.

(c) Subject to the terms of this Agreement, Bank shall establish Loan Accounts with respect to Applicants who meet the eligibility criteria set forth in the Credit Policy.

(d) Pursuant to procedures mutually agreed to by the Parties, Company shall deliver adverse action notices to Applicants who do not meet Credit Policy criteria or are otherwise denied by Bank.

(e) Company shall deliver Program privacy notices and Loan Account Agreements to Borrowers.

(f) Company shall hold and maintain, as custodian for Bank, all documents of Bank pertaining to Loan Accounts. Company shall periodically provide to Bank copies of records required to be maintained under the Bank Secrecy Act Policy and such other documents regarding Loan Accounts as requested by Bank, at intervals mutually agreed to by the Parties, but no less frequently than monthly.

(g) Company shall perform the obligations described in this Section 5 and deliver any customer communications to Applicants and Borrowers as necessary to carry on the Program, all at Company's own cost and in accordance with Applicable Laws.

(h) Company shall service the Loan Accounts during the period that the Loan Accounts are owned by Bank, in compliance with Applicable Law and in accordance with banking industry standards customary for loans and notes of the same general type and character.

(i) Pursuant to Section 16, as Bank reasonably requires and upon reasonable advance written notice to Company, Bank will periodically audit Company for compliance with the terms of this Section 5 and the Agreement as a whole, including compliance with the standards set forth herein for Loan Account origination.

6. Funding Loans.

(a) Company shall provide a Funding Statement to Bank by e-mail or as otherwise mutually agreed by the Parties by [*]. Each Funding Statement shall (i) identify those Applicants whose Applications satisfy the requirements of the Credit Policy and with respect to whom Company requests that Bank establish Loan Accounts, and (ii) provide the Funding Amount to be disbursed by Bank on such Funding Date, including instructions for the disbursement of Loan Proceeds to each Borrower. The Funding Statement shall be in the form of **Exhibit E**.

(b) Subject to timely receipt of the Funding Statement, and receipt from Company of instructions for the disbursement of Loan Proceeds to each Borrower, Bank shall initiate the disbursement of Loan Proceeds to Borrowers in accordance with the procedures determined by the Parties, by no later than [*].

(c) Subject to timely receipt of the Funding Statement, Bank shall transfer by wire transfer, or initiate a transfer by ACH, to an account designated by Company by no later than [*] the aggregate amount of Origination Fees set forth on the Funding Statement, as a Program servicing fee.

(d) To the extent that the aggregate principal balance of Loan Accounts held by Bank (or its Affiliates) would exceed the Program Threshold Amount following the funding of any Loan Account, Bank may elect not to fund such Loan Account.

(e) In addition to any other rights or remedies available to Bank under this Agreement or by law, Bank shall have the right to suspend payments of the Funding Amounts during the period commencing with the occurrence of any monetary default by Company or PFL, as applicable, under the Program Documents and ending when such condition has been cured, subject to the following: (1) if the monetary default is not material, Bank shall notify Company of such default, and Bank shall not suspend payments of Funding Amounts unless Company or PFL, as applicable, fails to cure such default within two (2) Business Days of receipt of such notice from Bank; and (2) if the monetary default is material, Bank may suspend payments of the Funding Amounts without giving Company or PFL, as applicable, an opportunity to cure. For purposes of the foregoing, the failure by Company or PFL, as applicable, to purchase any Loan Accounts under the Loan Sale Agreement, or Company's or PFL's breach of its indemnification obligations under the Program Documents, or Company's or PFL's failure to timely deposit money as required by Section 2(b) of the Loan Sale Agreement, shall be deemed a material default of the Program Documents. Notwithstanding Bank's suspension rights under this Section, Bank may also exercise any right to terminate this Agreement as permitted herein.

* **Confidential Treatment Requested**

7. Representations and Warranties.

(a) Bank hereby represents and warrants, as of the Effective Date, or covenants, as applicable, to Company that:

(1) Bank is an FDIC-insured Utah-chartered industrial bank, duly organized, validly existing under the laws of the State of Utah and has full corporate power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery and performance of this Agreement have been duly authorized, and are not in conflict with and do not violate the terms of the charter or bylaws of Bank and will not result in a material breach of or constitute a default under, or require any consent under, any indenture, loan or agreement to which Bank is a party;

(2) All approvals, authorizations, licenses, registrations, consents, and other actions by, notices to, and filings with, any Person that may be required in connection with the execution, delivery, and performance of this Agreement by Bank, have been obtained (other than those required to be made to or received from Borrowers and Applicants);

(3) This Agreement constitutes a legal, valid, and binding obligation of Bank, enforceable against Bank in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws now or hereafter in effect, including the rights and obligations of receivers and conservators under 12 U.S.C. §§ 1821 (d) and (e), which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(4) There are no proceedings or investigations pending or, to the best knowledge of Bank, threatened against Bank (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by Bank pursuant to this Agreement, (iii) seeking any determination or ruling that, in the reasonable judgment of Bank, would materially and adversely affect the performance by Bank of its obligations under this Agreement, (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement or (v) would have a materially adverse financial effect on Bank or its operations if resolved adversely to it;

(5) Bank is not Insolvent;

(6) The execution, delivery and performance of this Agreement by Bank comply with Utah and federal banking laws specifically applicable to Bank's operations; provided that Bank makes no representation or warranty regarding compliance with Utah or federal banking laws relating to consumer protection, consumer lending, usury, loan collections, anti-money laundering, data security or privacy as they apply to the operation of the Program; and

(7) The Proprietary Materials Bank licenses to Company pursuant to Section 12, and their use as contemplated by this Agreement, do not violate or infringe upon, or constitute an infringement or misappropriation of, any U.S. patent, copyright or U.S. trademark, service mark, trade name or trade secret of any person or entity and Bank has the right to grant the licenses set forth in Section 12 below.

(b) Company hereby represents and warrants, as of the Effective Date, or covenants, as applicable, to Bank that:

(1) Company is a corporation, duly organized and validly existing in good standing under the laws of the State of Delaware, and has full power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery, and performance of this Agreement have been duly authorized, and are not in conflict with and do not violate the terms of the articles or bylaws of Company and will not result in a material breach of or constitute a default under or require any consent under any indenture, loan, or agreement to which Company is a party;

(2) All approvals, authorizations, consents, and other actions by, notices to, and filings with any Person required to be obtained for the execution, delivery, and performance of this Agreement by Company, have been obtained;

(3) This Agreement constitutes a legal, valid, and binding obligation of Company, enforceable against Company in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect, which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(4) There are no proceedings or investigations pending or, to the best knowledge of Company, threatened against Company (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by Company pursuant to this Agreement, (iii) seeking any determination or ruling that, in the reasonable judgment of Company, would materially and adversely affect the performance by Company of its obligations under this Agreement, (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement, or (v) except as set forth on Schedule 7(b)(4), that would have a materially adverse financial effect on Company or its operations if resolved adversely to it;

(5) Company is not Insolvent;

(6) The execution, delivery and performance of this Agreement by Company, the Consumer Finance Materials and the promotional and marketing materials and strategies shall all comply with Applicable Laws;

(7) The Proprietary Materials Company licenses to Bank pursuant to Section 12, and their use as contemplated by this Agreement, do not violate or infringe upon, or constitute an infringement or misappropriation of, any U.S. patent, copyright or U.S. trademark, service mark, trade name or trade secret of any person or entity and Company has the right to grant the license set forth in Section 12 below; and

(8) Company shall comply with Title V of the Gramm-Leach-Bliley Act and the implementing regulations of the FDIC, including but not limited to applicable limits on the use, disclosure, storage, safeguarding and destruction of Applicant information, and shall maintain commercially reasonable data security and disaster recovery protections that at the least are consistent with industry standards for the consumer lending industry.

(c) Company hereby represents and warrants to Bank as of each Funding Date that:

(1) For each Loan Account and each disbursement of Loan Proceeds: (i) to the best of Company's knowledge, all information in the related Application is true and correct, provided, however, that Company's representation and warranty in this regard shall be subject to the following limitations: (A) Company does not verify the self-reported income, employment and occupation or other information provided by Applicants in listings, (B) each Applicant's debt-to-income ratio is determined by Company from a combination of the Applicant's self-reported income and information from the Applicant's credit report and not otherwise verified by Company, (C) credit data that appears in Applications is taken directly from a credit report obtained on the Applicant from a credit reporting agency, without any review or verification by Company, (D) Company does not verify any statements by Applicants as to how Loan Proceeds are to be used and does not confirm after loan disbursement how Loan Proceeds were used, and (E) Applicants' home ownership status is not verified by Company but is derived from the Applicant's credit report, in that if the credit report reflects an active mortgage loan the Applicant is presumed to be a homeowner; (ii) the Loan Account is fully enforceable and all required disclosures to Borrowers have been delivered in compliance with Applicable Laws; (iii) the Loan Account Agreement and all other Loan Account documents are genuine and legally binding and enforceable, conform to the requirements of the Program and were prepared in conformity with the Program Compliance Manual; (iv) all necessary approvals required to be obtained by Company have been obtained; (v) nothing exists that would prohibit the sale of the Loan Accounts by Bank to Company or PFL, as applicable, under the Loan Sale Agreement, provided that Bank has taken no action (independent of action taken by Company on Bank's behalf) that would prohibit the sale of the Loan Accounts by Bank to Company or PFL, as applicable, under the Loan Sale Agreement; and (vi) Bank is the sole owner of the Loan Accounts prior to any such sale of the Loan Accounts to Company or PFL, as applicable, provided that Bank has taken no action (independent of action taken by Company on Bank's behalf) that diminishes Bank's ownership rights in the Loan Accounts;

(2) Each Borrower listed on a Funding Statement is eligible for a Loan Account under the Credit Policy; and each Borrower has submitted an Application; and

(3) The information on each Funding Statement is true and correct in all respects.

(d) The representations and warranties of Bank and Company contained in this Section 7, except those representations and warranties contained in subsections 7(a)(4) and 7(b)(4), are made continuously throughout the term of this Agreement. In the event that any investigation or proceeding of the nature described in subsections 7(a)(4) and 7(b)(4) is instituted or threatened against either Party, such Party shall promptly notify the other Party of the pending or threatened investigation or proceeding (unless prohibited from doing so by Applicable Laws or the direction of a Regulatory Authority).

8. Other Relationships with Borrowers.

(a) Separate from the obligation to market Loan Accounts offered by Bank, and subject to the Program privacy policy and Applicable Laws, Company shall have the right, at its own expense, to solicit Applicants and/or Borrowers with offerings of other goods and services from Company and parties other than Bank, provided, however, that in the event that Company uses Bank's name and/or Proprietary Materials in connection with such offerings, Company shall obtain Bank's prior approval for such use.

(b) Except as necessary to carry out its rights and responsibilities under this Agreement and the Loan Sale Agreement, Bank shall not use Applicant and/or Borrower information and shall not provide or disclose any Applicant and/or Borrower information to any Person, except to the extent required to do so under Applicable Laws or legal process.

(c) Notwithstanding subsection 8(b), (i) Bank may make solicitations for goods and services to the public, which may include one or more Applicants or Borrowers; provided that Bank does not (A) target such solicitations to specific Applicants and/or Borrowers, (B) use or permit a third party to use any list of Applicants and/or Borrowers in connection with such solicitations or (C) refer to or otherwise use the name of Company; and (ii) Bank shall not be obligated to redact the names of Applicants and/or Borrowers from marketing lists acquired from third parties (*e.g.*, subscription lists) that Bank uses for solicitations.

(d) The terms of this Section 8 shall survive the expiration or earlier termination of this Agreement.

9. Indemnification.

(a) Company agrees to defend, indemnify, and hold harmless Bank and its Affiliates, and the officers, directors, employees, representatives, shareholders, agents and attorneys of such entities (the "Indemnified Parties") from and against any and all claims, actions, liability, judgments, damages, costs and expenses, including reasonable attorneys' fees ("Losses") to the extent arising from Bank's participation in the Program as contemplated by this Agreement (including Losses arising from a violation of Applicable Laws or a breach by Company or its agents or representatives of any of Company's representations, warranties, obligations or undertakings under this Agreement), unless such Loss results from (i) the gross negligence or willful misconduct of Bank, or (ii) Bank's failure to timely transfer the Funding Amount to the extent required under Section 6(b), provided that Company and PFL are not in breach of any of their respective obligations under the Program Documents, including, but not limited to, their obligations with respect to the purchase of Loan Accounts under the Loan Sale Agreement before or after, respectively, the Changeover Date (as defined therein) or the Stand By Loan Purchase Agreement.

(b) To the extent permitted by Applicable Laws, any Indemnified Party seeking indemnification hereunder shall promptly notify Company, in writing, of any notice of the assertion by any third party of any claim or of the commencement by any third party of any legal or regulatory proceeding, arbitration or action, or if the Indemnified Party determines the existence of any such claim or the commencement by any third party of any such legal or regulatory proceeding, arbitration or action, whether or not the same shall have been asserted or initiated, in any case with respect to which Company is or may be obligated to provide indemnification (an "Indemnifiable Claim"), specifying in reasonable detail the nature of the Loss and, if known, the amount or an estimate of the amount of the Loss; provided, that failure to promptly give such notice shall only limit the liability of Company to the extent of the actual prejudice, if any, suffered by Company as a result of such failure. The Indemnified Party shall provide to Company as promptly as practicable thereafter information and documentation reasonably requested by Company to defend against the Indemnifiable Claim.

(c) Company shall have ten (10) days after receipt of any notification of an Indemnifiable Claim (a "Claim Notice") to notify the Indemnified Party of Company's election to assume the defense of the Indemnifiable Claim and, through counsel of its own choosing, and at its own expense, to commence the settlement or defense thereof, and the Indemnified Party shall cooperate with Company in connection therewith if such cooperation is so requested and the request is reasonable; provided that Company shall hold the Indemnified Party harmless from all its reasonable out-of-pocket expenses, including reasonable attorneys' fees, incurred in connection with the Indemnified Party's cooperation; provided, further, that if the Indemnifiable Claim relates to a matter before a Regulatory Authority, the Indemnified Party may elect, upon notice to Company, to assume the defense of the Indemnifiable Claim at the cost of and with the cooperation of Company. If the Company assumes responsibility for the settlement or defense of any such claim, (i) Company shall permit the Indemnified Party to participate at the Indemnified Party's expense in such settlement or defense through counsel chosen by the Indemnified Party; provided that, in the event that both Company and the Indemnified Party are defendants in the proceeding and the Indemnified Party shall have reasonably determined and notified Company that representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them, then the fees and expenses of one such counsel for all Indemnified Parties in the aggregate shall be borne by Company; and (ii) Company shall not settle any Indemnifiable Claim without the Indemnified Party's consent.

(d) If the Company does not notify the Indemnified Party within ten (10) days after receipt of the Claim Notice that it elects to undertake the defense of the Indemnifiable Claim described therein, or if Company fails to contest vigorously any such Indemnifiable Claim, or if the Indemnified Party elects to control the defense of an Indemnifiable Claim as permitted by Section 9(c), then, in each case, the Indemnified Party shall have the right, upon notice to the Company, to contest, settle or compromise the Indemnifiable Claim in the exercise of its reasonable discretion; provided that the Indemnified Party shall notify Company prior thereto of any compromise or settlement of any such Indemnifiable Claim. No action taken by the Indemnified Party pursuant to this paragraph (d) shall deprive the Indemnified Party of its rights to indemnification pursuant to this Section 9.

(e) All amounts due under this Section 9 shall be payable not later than ten (10) days after written demand therefor.

(f) The terms of this Section 9 shall survive the expiration or earlier termination of this Agreement.

10. Term and Termination.

(a) This Agreement shall have an initial term beginning on the Effective Date and ending thirty-six (36) months thereafter (the "Initial Term") and shall renew automatically for two (2) successive terms of one (1) year each (each a "Renewal Term," collectively, the Initial Term and Renewal Term(s) shall be referred to as the "Term"), unless either Party provides notice of non-renewal to the other Party at least ninety (90) days prior to the end of the Initial Term or any Renewal Term or this Agreement is earlier terminated in accordance with the provisions hereof.

(b) This Agreement shall terminate immediately upon the expiration or earlier termination of the Loan Sale Agreement or the Stand By Loan Purchase Agreement.

(c) Bank shall have a right to terminate this Agreement in the event of a Change of Control of Company. Company shall provide written notice to Bank of any expected or anticipated Change of Control of Company not later than thirty (30) Business Days prior to the effective date of such Change of Control.

(d) A Party shall have a right to terminate this Agreement immediately upon written notice to the other Party in any of the following circumstances:

(1) any representation or warranty made by the other Party in this Agreement shall be incorrect in any material respect and shall not have been corrected within thirty (30) Business Days after written notice thereof has been given to such other Party;

(2) the other Party shall default in the performance of any obligation or undertaking under this Agreement and such default shall continue for thirty (30) Business Days after written notice thereof has been given to such other Party;

(3) the other Party shall commence a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official or to any involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(4) an involuntary case or other proceeding, whether pursuant to banking regulations or otherwise, shall be commenced against the other Party seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property; or an order for relief shall be entered against either Party under the federal bankruptcy laws as now or hereafter in effect; or

(5) there is a materially adverse change in the financial condition of the other Party.

(e) Bank shall not be obligated to approve Applications or establish new Loan Accounts after termination of this Agreement; provided, that Bank shall originate Loan Accounts to Applicants to whom Bank has issued a lending commitment prior to termination, unless this Agreement is terminated pursuant to subsection 10(b) or by Bank pursuant to subsection 10(d).

(f) The termination of this Agreement either in part or in whole shall not discharge any Party from any obligation incurred prior to such termination.

(g) Upon termination of this Agreement, Company shall purchase all Loan Accounts established by Bank prior to and on the date of termination that have not already been purchased by Company. After termination, Company shall purchase all Loan Accounts originated by Bank pursuant to subsection 10(e).

(h) Company's failure to obtain the approval of Bank as required by Sections 2(a)(1), 4 or 30, and Company's failure to provide any notice required by Section 32, shall each constitute a material breach of this Agreement. In addition to any other remedies permitted by Applicable Law or this Agreement and without limiting Bank's rights under Section 9, Bank may also invoice Company for, and Company agrees to pay, liquidated damages in the amount of [*]. The Parties agree that it would be difficult to determine the precise damages to Bank in the event of such a breach by Company, and the Parties have therefore agreed on the foregoing liquidated damages as a reasonable approximation of the damages to Bank in the event of such a breach.

(i) Bank may terminate this Agreement immediately upon written notice to Company if Bank incurs any Loss that would have been subject to indemnification under Section 9(a) but for the application of Applicable Laws that limit or restrict Bank's ability to seek such indemnification.

(j) The terms of this Section 10 shall survive the expiration or earlier termination of this Agreement.

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11. Confidentiality.

(a) Each Party agrees that Confidential Information of the other Party shall be used by such Party solely in the performance of its obligations and exercise of its rights pursuant to the Program Documents. Except as required by Applicable Laws or legal process, neither Party (the "Restricted Party") shall disclose Confidential Information of the other Party to third parties; provided, however, that the Restricted Party may disclose Confidential Information of the other Party (i) to the Restricted Party's Affiliates, agents, representatives or subcontractors for the sole purpose of fulfilling the Restricted Party's obligations under this Agreement (as long as the Restricted Party exercises reasonable efforts to prohibit any further disclosure by its Affiliates, agents, representatives or subcontractors), provided that in all events, the Restricted Party shall be responsible for any breach of the confidentiality obligations hereunder by any of its Affiliates, agents, representatives or subcontractors, (ii) to the Restricted Party's auditors, accountants and other professional advisors, or to a Regulatory Authority or (iii) to any other third party as mutually agreed by the Parties.

(b) A Party's Confidential Information shall not include information that:

(1) is generally available to the public;

(2) has become publicly known, without fault on the part of the Party who now seeks to disclose such information (the "Disclosing Party"), subsequent to the Disclosing Party acquiring the information;

(3) was otherwise known by, or available to, the Disclosing Party prior to entering into this Agreement; or

(4) becomes available to the Disclosing Party on a non-confidential basis from a Person, other than a Party to this Agreement, who is not known by the Disclosing Party after reasonable inquiry to be bound by a confidentiality agreement with the non-Disclosing Party or otherwise prohibited from transmitting the information to the Disclosing Party.

(c) Upon written request or upon the termination of this Agreement, each Party shall, within thirty (30) days, return to the other Party all Confidential Information of the other Party in its possession that is in written form, including by way of example, but not limited to, reports, plans, and manuals; provided, however, that either Party may maintain in its possession all such Confidential Information of the other Party required to be maintained under Applicable Laws relating to the retention of records for the period of time required thereunder or stored on such Party's network as part of standard back-up procedures (provided that such information shall remain subject to the confidentiality provisions of this Section 11).

(d) In the event that a Restricted Party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information of the other Party, the Restricted Party shall provide the other Party with prompt notice of such request(s) so that the other Party may seek an appropriate protective order or other appropriate remedy and/or waive the Restricted Party's compliance with the provisions of this Agreement. In the event that the other Party does not seek such a protective order or other remedy, or such protective order or other remedy is not obtained, or the other Party grants a waiver hereunder, the Restricted Party may furnish that portion (and only that portion) of the Confidential Information of the other Party which the Restricted Party is legally compelled to disclose and shall exercise such efforts to obtain reasonable assurance that confidential treatment shall be accorded any Confidential Information of the other Party so furnished as the Restricted Party would exercise in assuring the confidentiality of any of its own Confidential Information.

(e) The terms of this Section 11 shall survive the expiration or earlier termination of this Agreement.

12. Proprietary Material.

(a) Each Party ("Licensing Party") hereby provides the other Party ("Licensee") with a non-exclusive right and license to use and reproduce the Licensing Party's name, logo, registered or other trademarks and service marks (collectively, "Marks") on the Applications, Loan Account Agreements, and other Consumer Finance Materials (including the Program Website), Program marketing materials, and any other publicly distributed or available Program materials, and to otherwise use the Marks and such copyrights, patents, and other intellectual property as the Licensing Party may designate or otherwise make available from time to time in the Licensing Party's sole discretion (collectively with the Marks, "Proprietary Material") for the purposes of or otherwise in connection with the fulfillment of Licensee's obligations under this Agreement; provided, however, that (i) the Licensee shall at all times comply with any and all written instructions provided by the Licensing Party from time to time regarding the use of the Licensing Party's Proprietary Material, and (ii) each Licensee acknowledges that, except for the license specifically provided in this Agreement, it shall acquire no interest in the Licensing Party's Proprietary Material. Upon termination of this Agreement, each such license will terminate, and the Licensee shall cease using the Licensing Party's Proprietary Material. Neither Party may use the other Party's Marks in any press release without the prior written consent of the other Party.

(b) Bank hereby acknowledges and agrees that, as between Bank and Company (i) as of the Effective Date, Company is the sole and exclusive owner of all pre-existing Marks, copyrights, patents, other intellectual property rights, software, other technology, and other tangible and intangible property used on or in connection with the Program Website, and its Company run predecessors; and (ii) Company shall be the sole and exclusive owner of any and all modifications to such tangible and intangible property during the Term of this Agreement, including but not limited to any and all trademark, service mark, copyright, patent, and other intellectual property rights in and to such modifications, except as the Parties may otherwise agree in writing. For avoidance of doubt, Company shall not obtain any rights in Bank's Marks (other than the license described in subsection 12(a)) by virtue of incorporation of Bank's Marks into the Program Website.

13. Relationship of Parties. The Parties agree that in performing their respective responsibilities pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between Bank and Company.

14. Expenses.

(a) Except as set forth herein, each Party shall bear the costs and expenses of performing its obligations under this Agreement.

(b) Company shall pay all wire transfer and ACH costs for transfers by Bank under the Program. Company shall reimburse Bank for all third party fees incurred by Bank in connection with the performance of the Program Documents. Bank shall provide Company with notice of third party fees to be incurred by Bank in connection with performance of the Program Documents as soon as practicable after Bank becomes aware of such fees.

(c) Company shall pay all costs of any credit reports it obtains on Applicants or Borrowers and any adverse action notices it delivers to Applicants or Borrowers in accordance with Company's Application processing and Loan Account servicing responsibilities under this Agreement.

(d) Each Party shall be responsible for payment of any federal, state, or local taxes or assessments associated with the performance of its obligations under this Agreement and for compliance with all filing, registration and other requirements with regard thereto.

(e) Company shall be responsible for (i) all of Bank's out-of-pocket legal fees directly related to the Program, including Bank's attorneys' fees and expenses in connection with the preparation, negotiation, execution, and delivery of the Program Documents; any amendment, modification, administration, collection and enforcement of the Program Documents; any modification of the Consumer Finance Materials or other documents or disclosures related to the Program; or any dispute or litigation arising out of or related to the Program; and (ii) all of Bank's out-of-pocket costs and expenses for any other third-party professional services related to the Program, including the services of any third-party compliance specialists in connection with Bank's preparation of policies and procedures and Bank's review of the Program. To the extent that such fees are expected to exceed [*], Bank will provide oral or email notification to the extent reasonably practicable. Company shall also pay for an annual audit of the Program by a third-party firm. Bank shall invoice Company for such fees. Company shall pay such invoice within thirty (30) days of receipt of such invoice.

(f) Company shall reimburse Bank for all reasonable costs associated with Bank's assignment to Company of Loan Accounts pursuant to Section 10.

15. Examination. Each Party agrees to submit to any examination that may be required by a Regulatory Authority having jurisdiction over the other Party, during regular business hours and upon reasonable prior notice, and to otherwise provide reasonable cooperation to the other Party in responding to such Regulatory Authority's inquiries and requests related to the Program.

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16. Inspection; Reports. Each Party, upon reasonable prior notice from the other Party, agrees to submit to an inspection of its books, records, accounts, and facilities relevant to the Program, from time to time, during regular business hours subject to the duty of confidentiality each Party owes to its customers and banking secrecy and confidentiality requirements otherwise applicable to each Party under Applicable Laws. All expenses of inspection shall be borne by the Party conducting the inspection. Notwithstanding the obligation of each Party to bear its own expenses of inspection, Company shall reimburse Bank for reasonable out of pocket expenses incurred by Bank in the performance of periodic on site reviews of Company's financial condition, operations and internal controls, not to exceed the maximum amount per visit of [*]. Company shall store all documentation and electronic data related to its performance under this Agreement and shall make such documentation and data available during any inspection by Bank or its designee. With such reasonable frequency and in such reasonable manner as mutually agreed by the Parties, Company shall report to Bank regarding the performance of its obligations.

17. Governing Law; Waiver of Jury Trial. This Agreement shall be interpreted and construed in accordance with the laws of the State of Utah, without giving effect to the rules, policies, or principles thereof with respect to conflicts of laws. THE PARTIES HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER. The terms of this Section 17 shall survive the expiration or earlier termination of this Agreement.

18. Severability. Any provision of this Agreement which is deemed invalid, illegal or unenforceable in any jurisdiction, shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining portions hereof in such jurisdiction or rendering such provision or any other provision of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

19. Assignment. This Agreement and the rights and obligations created under it shall be binding upon and inure solely to the benefit of the Parties and their respective successors, and permitted assigns. Neither Party shall be entitled to assign or transfer any interest under this Agreement (including by operation of law) without the prior written consent of the other Party, which shall not be unreasonable withheld or delayed. No assignment made in conformity with this Section 19 shall relieve a Party of its obligations under this Agreement. Company may use subcontractors in the performance of its obligations under this Agreement, subject to Bank's prior written approval of each such subcontractor, which approval shall not be unreasonably withheld or delayed. A list of subcontractors already approved by Bank is attached in the form of **Exhibit H** hereto.

20. Third Party Beneficiaries. Nothing contained herein shall be construed as creating a third-party beneficiary relationship between either Party and any other Person.

21. Notices. All notices and other communications that are required or may be given in connection with this Agreement shall be in writing and shall be deemed received (a) on the day delivered, if delivered by hand; (b) on the day transmitted, if transmitted by facsimile or e-mail with receipt confirmed; or (c) three (3) business days after the date of mailing to the other Party, if mailed first-class postage prepaid, at the following address, or such other address as either Party shall specify in a notice to the other:

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To Bank: WebBank
Attn: Senior Vice President – Strategic Partners
215 S. State Street, Suite 800
Salt Lake City, UT 84111
Tel. (801) 456-8398
Fax: (801) 456-8398
Email: strategicpartnerships@webbank.com

With a copy to:
WebBank
Attn: Compliance Officer
215 S. State Street, Suite 800
Salt Lake City, UT 84111
Tel. (801) 456-8363
Fax: (801) 456-8363
Email: complianceofficer@webbank.com

To Company: Prosper Marketplace, Inc.
111 Sutter Street, 22nd Floor
San Francisco, CA 94104
Attn: Kirk T. Inglis
E-mail Address: kirk@propser.com
Telephone: (415) 593-5432
Facsimile: (415) 362-7233

22. Amendment and Waiver. This Agreement may be amended only by a written instrument signed by each of the Parties. The failure of a Party to require the performance of any term of this Agreement or the waiver by a Party of any default under this Agreement shall not prevent a subsequent enforcement of such term and shall not be deemed a waiver of any subsequent breach. All waivers must be in writing and signed by the Party against whom the waiver is to be enforced.

23. Entire Agreement. The Program Documents, including this Agreement and its schedules and exhibits (all of which schedules and exhibits are hereby incorporated into this Agreement), constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede any prior or contemporaneous negotiations or oral or written agreements with regard to the same subject matter.

24. Counterparts. This Agreement may be executed and delivered by the Parties in any number of counterparts, and by different parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

25. Interpretation. The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments thereto, and the same shall be construed neither for nor against either Party, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the Parties.

Agreement Subject to Applicable Laws. If (a) either Party has been advised by legal counsel of a change in Applicable Laws or any judicial decision of a court having jurisdiction over such Party or any interpretation of a Regulatory Authority that, in the view of such legal counsel, would have a materially adverse effect on the rights or obligations of such Party under this Agreement or the financial condition of such Party, (b) either Party receives a request of any Regulatory Authority having jurisdiction over such Party, including any letter or directive of any kind from any such Regulatory Authority, that prohibits or restricts such Party from carrying out its obligations under this Agreement, or (c) either Party has been advised by legal counsel that there is a material risk that such Party's or the other Party's continued performance under this Agreement would violate

26. Applicable Laws, then the Parties shall meet and consider in good faith any modifications, changes or additions to the Program or the Program Documents that may be necessary to eliminate such result. Notwithstanding any other provision of the Program Documents, including Section 10 hereof, if the Parties are unable to reach agreement regarding such modifications, changes or additions to the Program or the Program Documents within ten (10) Business Days after the Parties initially meet, either Party may terminate this Agreement upon five (5) days' prior written notice to the other Party. A Party may suspend performance of its obligations under this Agreement, or require the other Party to suspend its performance of its obligations under this Agreement, upon providing the other Party advance written notice, if any event described in subsections 26(a), (b) or (c) above occurs.

Force Majeure. If any Party is unable to carry out the whole or any part of its obligations under this Agreement by reason of a Force Majeure Event, then the performance of the obligations under this Agreement of such Party as they are affected by such cause shall be excused during the continuance of the inability so caused, except that should such inability not be remedied within thirty (30) days after the date of such cause, the Party not so affected may at any time after the expiration of such thirty (30) day period, during the continuance of such inability, terminate this Agreement on giving written notice to the other Party and without payment of a termination fee or other penalty. To the extent that the Party not affected by a Force Majeure Event is unable to carry out the whole or any part of its obligations under this Agreement because a prerequisite obligation of the Party so affected has not been performed, the Party not affected by a Force Majeure Event also is excused from such

27. performance during such period. A "Force Majeure Event" as used in this Agreement shall mean an unanticipated event that is not reasonably within the control of the affected Party or its subcontractors (including, but not limited to, acts of God, acts of governmental authorities, strikes, war, riot and any other causes of such nature), and which by exercise of reasonable due diligence, such affected Party or its subcontractors could not reasonably have been expected to avoid, overcome or obtain, or cause to be obtained, a commercially reasonable substitute therefore. No Party shall be relieved of its obligations hereunder if its failure of performance is due to removable or remediable causes which such Party fails to remove or remedy using commercially reasonable efforts within a reasonable time period. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of a Force Majeure Event shall give prompt notice of such fact to the other Party, followed by written confirmation of notice, and shall exercise due diligence to remove such inability with all reasonable dispatch.

Jurisdiction; Venue. The Parties consent to the personal jurisdiction and venue of the federal and state courts in Salt Lake City,

28. Utah for any court action or proceeding. The terms of this Section 28 shall survive the expiration or earlier termination of this Agreement.

29. Insurance. Company agrees to maintain insurance coverage on the terms and conditions specified in **Exhibit F** at all times during the term of this Agreement and to notify Bank promptly of any cancellation or lapse of any such insurance coverage.

30. Compliance with Applicable Laws; Program Compliance Manual. Company shall comply with Applicable Laws, the Bank Secrecy Act Policy and the Program Compliance Manual in its performance of this Agreement, including Loan Account solicitation, Application processing and preparation of Loan Account Agreements and other Loan Account documents. The Program Compliance Manual shall not be changed without the prior written consent of both Parties, which consent shall not be unreasonably withheld or delayed; provided, however, that Bank may change the Program Compliance Manual upon written notice provided to Company but without Company's prior written consent, to the extent that such change is required by Applicable Laws, or to the extent that Bank determines such change is necessitated by safety and soundness concerns. A copy of the Program Compliance Manual is attached hereto as **Exhibit G**. Without limiting the foregoing, Company shall:

(a) apply to all Applicants customer identification procedures that comply with Section 326 of the USA PATRIOT Act of 2001 ("Patriot Act") and the implementing regulations applicable to Bank (31 C.F.R. § 103.121);

(b) retain for five (5) years after a Loan Account is purchased from Bank, and deliver to Bank upon request: (i) the Applicant's name, address, social security number, and date of birth obtained pursuant to such customer identification procedures; (ii) a description of the methods and the results of any measures undertaken to verify the identity of the Applicant; and (iii) a description of the resolution of any substantive discrepancy discovered when verifying the identifying information obtained;

(c) screen all Applicants against the Office of Foreign Assets Control list of Specially Designated Nationals and Blocked Persons, and reject any Applicant whose name appears on such list and notify Bank thereof;

(d) monitor, identify and report to Bank any suspicious activity that meets the thresholds for submitting a Suspicious Activity Report under the Bank Secrecy Act and the implementing regulations applicable to Bank (31 C.F.R. § 103.18);

(e) implement an anti-money laundering program to assist Bank in its compliance with Section 352 of the Patriot Act and the implementing regulations applicable to Bank (31 C.F.R. § 103.120);

(f) in addition to the information retained pursuant to subsection (b) above, retain the account number identifying a Borrower's Loan Account for at least one (1) year after purchasing the Borrower's Loan Account from Bank;

(g) upon receipt of a government information request forwarded by Bank to Company, (i) compare the names, addresses, and social security numbers on such government list provided by Bank with the names, addresses, and social security numbers of Borrowers for all Loan Accounts purchased from Bank within the prior twelve (12) months, and (ii) within one (1) week of receipt of such an information request, deliver to Bank a certification of completion of such a records search, which shall indicate whether Company located a name, address, or social security number match and, if so, provide for any such match: the name of the Borrower, the account number identifying the Borrower's Loan Account, and the Borrower's social security number, date of birth, address, or other similar identifying information provided by the Borrower, to assist Bank in its compliance with Section 314(a) of the Patriot Act and the implementing regulations applicable to Bank (31 C.F.R. § 103.100);

(h) provide to Bank electronic copies of the information retained pursuant to subsections (b) and (g) above as mutually agreed to by the Parties, immediately upon request;

(i) maintain policies and procedures in a form approved by Bank ("Red Flags Policy") to (1) detect relevant red flags that may arise in the performance of Company's obligations, (2) take appropriate steps to address such red flags and to prevent and mitigate the effect of identity theft, (3) report to Bank on such policies and procedures on a regular basis, and (4) otherwise assist Bank in complying with the provisions of § 605A of the Fair Credit Reporting Act, 15 U.S.C. § 1681c-1, and applicable implementing regulations; (ii) identify a program administrator responsible for the Red Flags Policy; (iii) conduct annual training regarding the Red Flags Policy; and (iv) provide a written report regarding the Red Flags Policy no less frequently than annually, by the date designated by the Bank, which report shall (1) address material matters related to the program, (2) evaluate issues such as the effectiveness of the Red Flags Policy in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts, (3) identify service provider arrangements, (4) identify significant incidents involving identity theft and management's response, and (5) provide recommendations for material changes to the Red Flags Policy;

(j) develop and implement a compliance management system ("CMS") to provide an internal control process for the business functions and processes directed towards Applicants and Borrowers, the elements of which CMS shall include (i) an overall policy statement governing the CMS, (ii) specific procedures for approvals of additions or changes to the CMS, including a description of items subject to the CMS, a process for internal review and approval by Company and its legal counsel, and a process for internal review and approval by Bank and its legal counsel, and (iii) documentation of Company's testing process, including testing/review of Company's website and user acceptance testing (UAT); the scope of the CMS shall include, at a minimum, the Consumer Finance Materials, all policy changes, new products, advertisements, press releases, and the website(s) used in connection with the Program;

(k) maintain a compliance training program for its officers, directors, employees, and agents that is acceptable to Bank; as part of the program, Company shall, subject in each case to the approval of Bank, (i) identify applicable Company officers, directors, employees, and agents and assign appropriate training courses to each and (ii) determine a schedule of each training course and when each applicable officer, director, employee, and agent shall take each such course; Company shall provide reports to Bank regarding the compliance training program on a quarterly basis or, if requested by Bank, more frequently;

(l) designate a dedicated compliance officer for purposes of the Program, acceptable to Bank, who shall oversee reviews of Company's compliance with laws and regulations that may be applicable, including, to the extent applicable, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, the Fair Debt Collection Practices Act, the Truth-in-Lending Act and Regulation Z, the Federal Trade Commission (FTC) Act, the Consumer Financial Protection Act, and laws prohibiting unfair, deceptive, or abusive acts or practices; and, in the event of the termination of the employment of the compliance officer, promptly employ a replacement compliance officer acceptable to Bank;

(m) cooperate with and bear the expenses of a compliance audit of the Program on an annual basis, and such other audits as may be requested by Bank from time to time in its reasonable discretion, in each case to be conducted by a third-party audit firm that is selected by and reports to Bank; the scope of each audit shall be determined by Bank (considering in good faith input received by Company); Bank shall receive all draft and final reports of the audit firm and shall be included in any meetings or correspondence related to the audit; the auditor shall deliver the final audit report to Bank, and Bank shall provide a copy of the report to Company;

(n) provide to Bank, on an annual basis in writing, a report by the compliance officer of the results of all audits and reviews of the Program, and significant issues to be addressed (if any), as well as Company's resolutions of such issues (if applicable); and

Company will provide to Bank a certification letter, each quarter, that it is complying with its obligations under this section. Bank will comply with any reporting requirements of the Utah Department of Financial Institutions or the FDIC applicable to Bank's performance of this Agreement. The terms of subsections (b), (f) and (g) of this section 30 shall survive the expiration or earlier termination of this Agreement.

31. Prohibition on Tie-In Fees. Company shall not directly or indirectly impose or collect any fees, charges or remuneration relating to the processing or approval of an Application, the establishment of a Loan Account, or the disbursement of Loan Proceeds, unless such fee, charge or remuneration is set forth in the Consumer Finance Materials or approved by Bank.

32. Notice of Consumer Complaints and Regulatory Inquiries. Company shall notify Bank if it becomes aware of any investigations or proceedings by any state attorney general, Regulatory Authority, or the Better Business Bureau, or of any customer complaint that is directed or referred to any state attorney general, Regulatory Authority, or the Better Business Bureau, relating to any aspect of the Program within five (5) days of becoming aware of such investigation or proceeding or complaint, and Company shall provide Bank with all documentation relating thereto, subject to any legal prohibitions on disclosure of such investigation or proceeding. In addition, Company shall provide Bank with periodic reporting, in a form and on a schedule mutually agreed upon by the Parties, summarizing customer complaints received by Company and the resolution thereof by Company. Company shall cooperate in good faith and provide such assistance, at Bank's request, to permit Bank to promptly resolve or address any investigation, proceeding, or complaint.

33. Headings. Captions and headings in this Agreement are for convenience only, and are not to be deemed part of this Agreement.

34. Privacy Law Compliance. Subject to Applicable Laws, Bank and Company shall comply with the privacy policy agreed upon by both Parties with respect to Applicants and Borrowers.

35. Manner of Payments. Unless the manner of payment is expressly provided herein, all payments under this Agreement shall be made by wire transfer to the bank accounts designated by the respective Parties. Notwithstanding anything to the contrary contained herein, neither Party shall fail to make any payment required of it under this Agreement as a result of a breach or alleged breach by the other Party of any of its obligations under this Agreement or any other agreement, provided that the making of any payment hereunder shall not constitute a waiver by the Party making the payment of any rights it may have under the Program Documents or by law.

36. Referrals. Neither Party has agreed to pay any fee or commission to any agent, broker, finder, or other person for or on account of such person's services rendered in connection with this Agreement that would give rise to any valid claim against the other Party for any commission, finder's fee or like payment.

37. Financial Statements. (a) Within ninety (90) days following the end of Company's fiscal year, Company shall deliver to Bank a copy of Company's audited financial statements prepared by an independent certified public accountant, and (b) within forty-five (45) days following the end of each of Company's fiscal quarters (other than year-end), Company shall deliver to Bank a copy of Company's unaudited financial statements, in each case as of the year or quarter then ended and prepared in accordance with generally accepted accounting principles; provided that, as long as Company is required to file periodic reports under the Securities Exchange Act of 1934, such filings shall satisfy the financial statement delivery requirements set forth above. Company shall also deliver such additional unaudited financial statements and other information as Bank may request from time to time, within a reasonable period of time following such request.

38. Information Security.

(a) In connection with the Program, Company shall be responsible for maintaining an information security program that is designed, after consulting with Bank, to: (i) ensure the security and confidentiality of Applicant or Borrower information held on behalf of Bank; (ii) protect against any anticipated and emergent threats or hazards to security or integrity of such information held on behalf of Bank; (iii) protect against unauthorized access to or use of such information held on behalf of Bank that could result in substantial harm or inconvenience to any Applicant or Borrower; and (iv) ensure the proper disposal of customer information.

(b) At least once annually, Company shall conduct an information technology audit consistent with banking industry practices, which shall include review of Company's information security program. Such audit shall be conducted by a third-party audit firm that is acceptable to Bank; the scope of each audit shall be subject to the advance approval of Bank. Company shall promptly provide a copy of the audit report. Company shall promptly take action to correct any errors or deficiencies identified in any report or audit described in this Section 38, unless Bank agrees that correction is not required, and shall develop, with the approval of Bank, a schedule for the correction of such errors and deficiencies.

(c) Company shall immediately (and in any event within twenty-four (24) hours after becoming aware) notify Bank of any actual, suspected or threatened breach in information security involving personally identifiable information of Applicants or Borrowers. In any such event Company agrees that it will fully cooperate with Bank in investigating any such breach or unauthorized access. With respect to any such breach in data security, Company agrees to take action promptly, at its own expense, to investigate the breach, to identify, mitigate and remediate the effects of the breach and to implement any other reasonable and appropriate measures in response to the breach. Company will also provide Bank with all available information regarding such breach to assist Bank in implementing its information security response program and, if applicable, in notifying affected Applicants or Borrowers. Company shall pay for the costs of any such notification, which notification shall be subject to the advance consent of Bank.

39. Disaster Recovery and Business Continuity. Company shall maintain a disaster recovery and business continuity program and related policies acceptable to Bank (collectively, the "Business Continuity Plans"). Company agrees that such Business Continuity Plans shall be at least consistent with industry standards for the consumer and small business lending industry and in compliance with all Applicable Laws. Company shall test its Business Continuity Plans at least once annually, and shall promptly provide Bank a copy of the report of such tests.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

WEBBANK

By: /s/ Kelly M. Barnett
Name: Kelly M. Barnett
Title: President

PROSPER MARKETPLACE, INC.

By: /s/ Stephan P. Vermut
Name: Stephan P. Vermut
Title: CEO

Schedule 1

I. Definitions

(a) "ACH" means the Automated Clearinghouse.

(b) "Affiliate" means, with respect to a Party, a Person who directly or indirectly controls, is controlled by or is under common control with the Party. For the purpose of this definition, the term "control" (including with correlative meanings, the terms controlling, controlled by and under common control with) means the power to direct the management or policies of such Person, directly or indirectly, through the ownership of twenty-five percent (25%) or more of a class of voting securities of such Person.

(c) "Applicable Laws" means all federal, state and local laws, statutes, regulations and orders applicable to a Party or relating to or affecting any aspect of the Program including the Loan Accounts, the Program promotional and marketing materials and the Consumer Finance Materials, and all requirements of any Regulatory Authority having jurisdiction over a Party, as any such laws, statutes, regulations, orders and requirements may be amended and in effect from time to time during the term of this Agreement.

(d) "Applicant" means an individual who is a consumer who requests a Loan Account from Bank by posting a listing on the Program Website.

(e) "Application" means any request from an Applicant for a Loan Account in the form required by Bank including such requests received through the Program Website.

(f) "Bank" shall have the meaning set forth in the introductory paragraph of this Agreement.

(g) "Bank Secrecy Act Policy" shall have the meaning set forth in subsection 5(a).

(h) "Borrower" means an Applicant or other Person for whom Bank has established a Loan Account and/or who is liable, jointly or severally, for amounts owing with respect to a Loan Account.

(i) "Business Day" means any day, other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions in the State of Utah are authorized or obligated by law or executive order to be closed.

(j) "Change of Control" means (i) an acquisition of Control of Company by any person or entity, or (ii) the sale by Company of all or substantially all of its assets to any person or entity.

(k) "Claim Notice" shall have the meaning set forth in subsection 9(c).

(l) "Confidential Information" means the terms and conditions of this Agreement, and any proprietary information or non-public information of a Party, including a Party's proprietary marketing plans and objectives, that is furnished to the other Party in connection with this Agreement.

(m) "Consumer Finance Materials" shall have the meaning set forth in Section 4.

(n) "Control" means, with respect to Company, the possession either directly or indirectly of the power to direct or cause the direction of Company's management or policies whether through the ownership of voting securities, by contract or otherwise. Such control shall be presumed in the event that a third party acquires fifty percent (50%) or more of any class of voting securities of Company.

(o) "Credit Policy" means the minimum requirements of income, residency, employment history, credit history, and/or other such considerations that Bank uses to approve or deny an Application and to establish a Loan Account.

(p) "Disclosing Party" shall have the meaning set forth in subsection 11(b)(2).

(q) "Effective Date" shall have the meaning set forth in the introductory paragraph of this Agreement.

(r) "Existing Program Agreement" shall have the meaning set forth in the recitals.

(s) "Force Majeure Event" shall have the meaning set forth in Section 27.

(t) "Funding Amount" means the aggregate amount, as listed on a Funding Statement, of all Loan Proceeds to be disbursed by Bank to Borrowers on each Funding Date and the related Origination Fees.

(u) "Funding Date" means the Business Day on which any pending Applications are approved.

(v) "Funding Statement" means the statement prepared by Company on a Business Day that contains (i) a list of all Applicants who meet the eligibility criteria set forth in the Credit Policy, for whom Bank is requested to establish Loan Accounts; and (ii) the computation of the Funding Amount and all information necessary for the transfer of Loan Proceeds to the accounts designated by the corresponding Borrowers, including depository institution names, routing numbers and account numbers, and the transfer of Origination Fees to Company; and (iii) such other information as shall be reasonably requested by Bank and mutually agreed to by the Parties.

(w) "Indemnifiable Claim" shall have the meaning set forth in subsection 9(b).

(x) "Indemnified Parties" shall have the meaning set forth in subsection 9(a).

(y) "Insolvent" means the failure to pay debts in the ordinary course of business, the inability to pay its debts as they come due or the condition whereby the sum of an entity's debts is greater than the sum of its assets.

(z) "Licensee" shall have the meaning set forth in Section 12.

(aa) "Licensing Party" shall have the meaning set forth in Section 12.

(bb) "Loan Account" means a consumer installment loan account established by Bank pursuant to the Program.

(cc) "Loan Account Agreement" means the document containing the terms and conditions of a Loan Account including all disclosures required by Applicable Laws.

(dd) "Loan Sale Agreement" means that Second Amended and Restated Loan Sale Agreement, dated as of even date herewith, among Bank, PMI and PFL, pursuant to which Bank agrees to sell to PMI or PFL, and PMI or PFL agree to purchase from Bank, the Loan Accounts.

(ee) "Loan Proceeds" means the funds disbursed to a Borrower pursuant to a Loan Account established by Bank under the Program.

(ff) "Losses" shall have the meaning set forth in subsection 9(a).

(gg) "Marks" shall have the meaning set forth in subsection 12(a).

(hh) "Origination Fee" means the up-front fee a Borrower pays to Bank under the Loan Account Agreement for origination of a Loan Account in the form of a pre-paid finance charge.

(ii) "Party" means either Company or Bank and "Parties" means Company and Bank.

(jj) "Person" means any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity, or other entity of similar nature.

(kk) "PFL" means Prosper Funding LLC, a Delaware limited liability company and a wholly-owned subsidiary of Company.

(ll) "Program" means the installment loan program pursuant to which Bank shall establish Loan Accounts and disburse Loan Proceeds to Borrowers pursuant to the terms of this Agreement, initially as described in **Exhibit A** attached hereto.

(mm) "Program Compliance Manual" means the policies and procedures for the implementation of the Program by Company, including the policies and procedures regarding the (i) solicitation and receipt of Applications, (ii) underwriting of Loan Accounts, (iii) processing of Applications, (iv) requirements of the USA PATRIOT Act Customer Identification Program, and (iv) initial and periodic Office of Foreign Assets Control screenings.

(nn) "Program Documents" means this Agreement, the Loan Sale Agreement, and the Stand By Loan Purchase Agreement.

(oo) "Program Threshold Amount" means [*].

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(pp) "Program Website" means any part of the website located at www.prosper.com, together with any other website on which the Program is offered to public, that contains (A) any information directed towards Borrowers or Applicants, (B) any information about Borrowers or Applicants, or (C) any part of the application process or information concerning or describing the application process, which shall be hosted and maintained by Company.

(qq) "Proprietary Material" shall have the meaning set forth in subsection 12(a).

(rr) "Regulatory Authority" means any federal, state or local regulatory agency or other governmental agency or authority having jurisdiction over a Party and, in the case of Bank, shall include, but not be limited to, the Utah Department of Financial Institutions and the Federal Deposit Insurance Corporation.

(ss) "Restricted Party" shall have the meaning set forth in subsection 11(a).

(tt) "Stand By Loan Purchase Agreement" means that Stand By Loan Purchase Agreement, dated as of even date herewith, between the Parties.

(uu) "Trigger Event" shall have the meaning set forth in subsection 10(c).

II. Construction

As used in this Agreement:

(a) All references to the masculine gender shall include the feminine gender (and vice versa);

(b) All references to "include," "includes," or "including" shall be deemed to be followed by the words "without limitation";

(c) References to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation;

(d) References to "dollars" or "$" shall be to United States dollars unless otherwise specified herein;

(e) Unless otherwise specified, all references to days, months or years shall be deemed to be preceded by the word "calendar";

(f) All references to "quarter" shall be deemed to mean calendar quarter; and

(g) The fact that Bank or Company has provided approval or consent shall not mean or otherwise be construed to mean that: (i) either Party has performed any due diligence with respect to the requested or required approval or consent, as applicable; (ii) either Party agrees that the item or information for which the other Party seeks approval or consent complies with any Applicable Laws; (iii) either Party has assumed the other Party's obligations to comply with all Applicable Laws arising from or related to any requested or required approval or consent; or (iv) except as otherwise expressly set forth in such approval or consent, either Party's approval or consent impairs in any way the other Party's rights or remedies under the Agreement, including indemnification rights for Company's failure to comply with all Applicable Laws.

Schedule 7(b)(4)

Litigation

On November 26, 2008, plaintiffs, Christian Hellum, William Barnwell and David Booth, individually and on behalf of all other plaintiffs similarly situated, filed a class action lawsuit against PMI and certain of its executive officers and directors in the Superior Court of California, County of San Francisco, California. The suit was brought on behalf of all persons who had purchased loan notes through PMI's platform from January 1, 2006 through October 14, 2008. The lawsuit alleges that PMI offered and sold unqualified and unregistered securities in violation of the California and federal securities laws. The lawsuit seeks damages and the right of rescission against PMI and the other named defendants, as well as treble damages against PMI and the award of attorneys' fees, experts' fees and costs, and pre-judgment and post-judgment interest.

On February 25, 2011, the plaintiffs filed a Third Amended Complaint, which removed David Booth as a plaintiff and added Brian Russom and Michael Del Greco as plaintiffs. The new plaintiffs are representing the same putative class and prosecuting the same claims as the previously named plaintiffs. On February 29, 2012, the court granted the plaintiffs' motion for class certification.

PMI's insurance carrier with respect to the class action lawsuit, Greenwich Insurance Company ("Greenwich"), denied coverage. On August 21, 2009, PMI filed suit against Greenwich in the Superior Court of California, County of San Francisco, California. The lawsuit sought a declaration that PMI was entitled to coverage under its policy with Greenwich for losses arising out of the class action lawsuit as well as damages and the award of attorneys' fees and pre- and post-judgment interest.

On January 26, 2011, the court issued a final statement of decision finding that Greenwich has a duty to defend the class action lawsuit, and requiring that Greenwich pay PMI's past and future defense costs in the class action suit up to $2 million. Greenwich subsequently made payments to PMI in the amount of $2 million to reimburse PMI for the defense costs it had incurred in the class action suit. As a result, Greenwich has now satisfied its obligations with respect to PMI's defense costs for the *Hellum* suit, with the exception of $142,584 in pre-judgment interest that Greenwich will be required to pay to PMI when a final judgment has been entered in the suit and all appeals have been exhausted.

On July 1, 2011, PMI and Greenwich entered into a Stipulated Order of Judgment pursuant to which PMI agreed to dismiss its remaining claims against Greenwich. On August 12, 2011, Greenwich filed a notice of appeal of the court's decision regarding Greenwich's duty to defend up to $2 million. On July 16, 2012, the California Court of Appeal affirmed the trial court's decision.

Exhibit A

The Program Website
(screen shots of each page of the Program Website)

Exhibit B

Credit Policy

Exhibit C

Form of Application

Exhibit D

Loan Account Documentation

Exhibit E

Sample Funding Statement

Exhibit F

Insurance Requirements

(a) From the Effective Date and until termination of this Agreement, Company shall maintain insurance of the following kinds and amounts, or in amounts required by Applicable Laws, whichever is greater.

(i) A blanket fidelity bond and an errors and omissions insurance policy, with broad coverage on all officers and employees acting in any capacity with regard to handling funds, money, or documents. The fidelity bond and errors and omissions insurance shall be in a form reasonably acceptable to Bank and shall protect and insure against losses, including forgery, theft, embezzlement, fraud, errors and omissions and negligent acts of such persons. No provision of this paragraph requiring the fidelity bond and errors and omissions insurance shall diminish or relieve Company from its duties and obligations as set forth in this Agreement. The minimum coverage under any such bond and insurance policy shall be at least [*], with the exception of [*] minimum coverage for forgery.

(ii) Commercial general liability insurance written on an occurrence basis against claims on account of bodily injury, death or property damage. Such insurance shall have a combined single limit of not less than [*] per occurrence and [*] annual aggregate for bodily injury, death and property damage.

(iii) Worker's Compensation and employers' liability insurance affording (A) protection under the Worker's Compensation Law containing an all states endorsement and (B) Employers' Liability Protection subject to a limit of not less than [*].

(iv) Upon reasonable request by Bank, such other insurance as may be maintained by Persons engaged in the same or similar business and similarly situated.

(b) Insurance policies required to be maintained hereunder shall be procured from insurance companies reasonably acceptable to Bank. Liability insurance limits may be provided through any combination of primary and/or excess insurance policies. If requested by Bank, Company shall cause to be delivered to Bank annually a certified true copy of each fidelity bond and insurance policy required under this Agreement.

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Exhibit G

Program Compliance Manual

Exhibit H

Third-Party Service Contractors

Third-Party Service Contractor	Service Provided

Exhibit I

Bank Secrecy Act Policy

Exhibit 10.7

EXECUTION VERSION

CONFIDENTIAL TREATMENT REQUESTED

WEBBANK

and

PROSPER MARKETPLACE, INC.

STAND BY
LOAN PURCHASE AGREEMENT

Dated as of January 25, 2013

This STAND BY LOAN PURCHASE AGREEMENT (this "Agreement"), dated as of January 25, 2013 ("Effective Date"), is made by and between WEBBANK, a Utah-chartered industrial bank having its principal location in Salt Lake City, Utah ("Bank"), and PROSPER MARKETPLACE, INC., a Delaware corporation, having its principal location in San Francisco, California ("PMI").

WHEREAS, Bank and PMI are parties to a Second Amended and Restated Loan Account Program Agreement, dated as of the Effective Date (the "Loan Account Program Agreement");

WHEREAS, Bank, PMI, and PROSPER FUNDING LLC, a Delaware limited liability company and a wholly-owned subsidiary of PMI, having its principal location in San Francisco, California ("PFL") are parties to a Second Amended and Restated Loan Sale Agreement (the "Loan Sale Agreement");

WHEREAS, Bank desires to sell to PMI, and PMI desires to purchase from Bank certain loan accounts originated under the Loan Account Program Agreement that are not purchased by PFL under the Loan Sale Agreement.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants and agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.** The terms used in this Agreement shall be defined as set forth in Schedule 1; provided, however, that any capitalized terms not defined in Schedule 1 shall have the respective meanings attributed to such terms under the Loan Sale Agreement. The rules of construction set forth in Schedule 1 shall apply to this Agreement.

2. **Purchase of Stand By Loan Accounts; Payment to Bank; Reporting to Bank.**

(a) If PFL is obligated under the Loan Sale Agreement to purchase any Loan Accounts from Bank on a Closing Date, then to the extent that PFL fails to purchase such Loan Accounts (the "Stand By Loan Accounts") on such Closing Date, Bank agrees to sell, transfer, assign, set-over, and otherwise convey to PMI, without recourse and with servicing released, on each the applicable Stand By Closing Date, the Stand By Loan Accounts. All of the foregoing shall be in accordance with the procedures set forth in this Section 2 of the Agreement. In consideration for Bank's agreement to sell, transfer, assign, set-over and convey to PMI such Stand By Loan Accounts, PMI agrees to purchase such Stand By Loan Accounts from Bank, and PMI shall pay to Bank the Purchase Price in accordance with subsection 2(b) of this Agreement.

(b) [*], on the Stand By Closing Date, PMI shall pay the Purchase Price for any Stand By Loan Accounts by wire transfer of immediately available funds, to an account designated by Bank.

(c) To the extent that such materials are in Bank's possession, upon PMI's request, Bank agrees to cause to be delivered to PMI, at PMI's cost, loan files on all Stand By Loan Accounts purchased by PMI pursuant to this Agreement within [*]. Such loan files shall include the application for the Stand By Loan Account, the Loan Account Agreement, confirmation of delivery of the Loan Account Agreement to the Borrower, and such other materials as PMI may reasonably require (all of which may be in electronic form); provided that Bank may retain copies of such information as necessary to comply with Applicable Laws.

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3. **Ownership of Stand By Loan Accounts.**

(a) On and after each Stand By Closing Date, subject to PMI's payment of the Purchase Price on each such date, PMI shall be the sole owner for all purposes (e.g., tax, accounting and legal) of the Stand By Loan Accounts purchased from Bank on such date. Bank agrees to make entries on its books and records to clearly indicate the sale of the Stand By Loan Accounts to PMI as of each Stand By Closing Date. PMI agrees to make entries on its books and records to clearly indicate the purchase of the Stand By Loan Accounts as of each Stand By Closing Date.

(b) Bank does not assume and shall not have any liability to PMI for the repayment of any Loan Proceeds or the servicing of the Stand By Loan Accounts after the related Stand By Closing Date.

(c) PMI may not (i) securitize the Stand By Loan Accounts, or any amounts owing thereunder, or (ii) issue an "asset-backed security" (as defined under 17 C.F.R. § 229.1101(c) or Section 3(a)(77) of the Securities Exchange Act of 1934) backed by the Stand By Loan Accounts or any amounts owing thereunder, in each case, without the prior written consent of Bank, which consent may be withheld or conditioned in Bank's sole discretion.

4. **Representations and Warranties of Bank.** Bank hereby makes to PMI the representations and warranties set forth in Section 4 of the Loan Sale Agreement.

5. **Representations and Warranties of the Prosper Parties.** PMI hereby makes to Bank the representations and warranties set forth in Section 5 of the Loan Sale Agreement.

6. **Minimum Liquidity Covenant.** PMI shall maintain Net Liquidity equal to or greater than [*] at all times during the term of this Agreement.

7. **Conditions Precedent to the Obligations of Bank.** The obligations of Bank in this Agreement are subject to the satisfaction of the conditions precedent set forth in Section 7 of the Loan Sale Agreement.

8. **Term and Termination.**

(a) The term of this Agreement shall be the Term of the Loan Sale Agreement, and this Agreement shall automatically terminate upon the expiration or termination of the Loan Sale Agreement.

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* **Confidential Treatment Requested**

(b) Bank shall have the right to terminate this Agreement immediately upon written notice to PMI in any of the following circumstances:

(1) any representation or warranty made by PMI in this Agreement shall be incorrect in any material respect and shall not have been corrected within thirty (30) Business Days after written notice thereof has been given to PMI;

(2) PMI shall default in the performance of any obligation or undertaking under this Agreement and such default shall continue for thirty (30) Business Days after written notice thereof has been given to PMI; or

(3) PML defaults on its obligation set forth in Section 6.

(c) PMI shall have the right to terminate this Agreement immediately upon written notice to Bank in any of the following circumstances:

(1) any representation or warranty made by Bank in this Agreement shall be incorrect in any material respect and shall not have been corrected within thirty (30) Business Days after written notice thereof has been given to Bank; or

(2) Bank shall default in the performance of any obligation or undertaking under this Agreement and such default shall continue for thirty (30) Business Days after written notice thereof has been given to Bank.

(d) Bank may terminate this Agreement immediately upon written notice to PMI if PMI defaults on its obligation to make a payment to Bank as provided in Section 2 of this Agreement.

(e) The termination of this Agreement either in part or in whole shall not discharge any Party from any obligation incurred prior to such termination, including any obligation with respect to Stand By Loan Accounts sold prior to such termination.

(f) Bank may terminate this Agreement immediately upon written notice to PMI if Bank incurs any Loss that would have been subject to indemnification under Section 10(a) but for the application of Applicable Laws that limit or restrict Bank's ability to seek such indemnification.

(g) The terms of this Section 8 shall survive the expiration or earlier termination of this Agreement.

9. **Confidentiality.**

(a) Each Party agrees that Confidential Information of each other Party shall be used by such Party solely in the performance of its obligations and exercise of its rights pursuant to the Program Documents. Except as required by Applicable Laws or legal process, no Party (the "Restricted Party") shall disclose Confidential Information of any other Party to third parties; provided, however, that the Restricted Party may disclose Confidential Information of the other Party (i) to the Restricted Party's Affiliates, agents, representatives or subcontractors for the sole purpose of fulfilling the Restricted Party's obligations under this Agreement (as long as the Restricted Party exercises reasonable efforts to prohibit any further disclosure by its Affiliates, agents, representatives or subcontractors), provided that in all events, the Restricted Party shall be responsible for any breach of the confidentiality obligations hereunder by any of its Affiliates, agents (other than a Prosper Party as agent for Bank), representatives or subcontractors, (ii) to the Restricted Party's auditors, accountants and other professional advisors, or to a Regulatory Authority, or (iii) to any other third party as mutually agreed by the Parties.

(b) A Party's Confidential Information shall not include information that:

(1) is generally available to the public;

(2) has become publicly known, without fault on the part of the Party who now seeks to disclose such information (the "Disclosing Party"), subsequent to the Disclosing Party acquiring the information;

(3) was otherwise known by, or available to, the Disclosing Party prior to entering into this Agreement; or

(4) becomes available to the Disclosing Party on a non-confidential basis from a Person, other than a Party to this Agreement, who is not known by the Disclosing Party after reasonable inquiry to be bound by a confidentiality agreement with the non-Disclosing Party or otherwise prohibited from transmitting the information to the Disclosing Party.

(c) Upon written request or upon the termination of this Agreement, each Party shall, within thirty (30) days, return to each other Party all Confidential Information of the other Party in its possession that is in written form, including by way of example, but not limited to, reports, plans, and manuals; provided, however, that each Party may maintain in its possession all such Confidential Information of each other Party required to be maintained under Applicable Laws relating to the retention of records for the period of time required thereunder or stored on such Party's network as part of standard back-up procedures (provided that such information shall remain subject to the confidentiality provisions of this Section 9).

(d) In the event that a Restricted Party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information of any other Party, the Restricted Party shall provide such other Party with prompt notice of such request(s) so that the other Party may seek an appropriate protective order or other appropriate remedy and/or waive the Restricted Party's compliance with the provisions of this Agreement. In the event that the other Party does not seek such a protective order or other remedy, or such protective order or other remedy is not obtained, or the other Party grants a waiver hereunder, the Restricted Party may furnish that portion (and only that portion) of the Confidential Information of the other Party which the Restricted Party is legally compelled to disclose and shall exercise such efforts to obtain reasonable assurance that confidential treatment shall be accorded any Confidential Information of the other Party so furnished as the Restricted Party would exercise in assuring the confidentiality of any of its own Confidential Information.

(e) The terms of this Section 9 shall survive the expiration or earlier termination of this Agreement.

10. **Indemnification.**

(a) PMI agrees to defend, indemnify, and hold harmless Bank and its Affiliates, and the officers, directors, employees, representatives, shareholders, agents and attorneys of such entities (the "Indemnified Parties") from and against any and all claims, actions, liability, judgments, damages, costs and expenses, including reasonable attorneys' fees ("Losses") to the extent arising from Bank's participation in the Program as contemplated by this Agreement (including Losses arising from a violation of Applicable Laws or a breach by PMI or its agents or representatives of any of PMI's representations, warranties, obligations or undertakings under this Agreement), unless such Loss results from (i) the gross negligence or willful misconduct of Bank, or (ii) Bank's failure to timely transfer the Funding Amount to the extent required under Section 6(b) of the Loan Account Program Agreement, provided that PMI or PFL, as applicable is not in breach of any of its obligations under the Program Documents, including, but not limited to, PMI's or PFL's obligations with respect to the purchase of Loan Accounts under the Loan Sale Agreement or this Agreement.

(b) To the extent permitted by Applicable Laws, any Indemnified Party seeking indemnification hereunder shall promptly notify PMI, in writing, of any notice of the assertion by any third party of any claim or of the commencement by any third party of any legal or regulatory proceeding, arbitration or action, or if the Indemnified Party determines the existence of any such claim or the commencement by any third party of any such legal or regulatory proceeding, arbitration or action, whether or not the same shall have been asserted or initiated, in any case with respect to which PMI is or may be obligated to provide indemnification (an "Indemnifiable Claim"), specifying in reasonable detail the nature of the Loss and, if known, the amount or an estimate of the amount of the Loss; provided, that failure to promptly give such notice shall only limit the liability of PMI to the extent of the actual prejudice, if any, suffered by PMI as a result of such failure. The Indemnified Party shall provide to PMI as promptly as practicable thereafter information and documentation reasonably requested by PMI to defend against the Indemnifiable Claim.

(c) PMI shall have ten (10) days after receipt of any notification of an Indemnifiable Claim (a "Claim Notice") to notify the Indemnified Party of PMI's election to assume the defense of the Indemnifiable Claim and, through counsel of its own choosing, and at its own expense, to commence the settlement or defense thereof, and the Indemnified Party shall cooperate with PMI in connection therewith if such cooperation is so requested and the request is reasonable; provided that PMI shall hold the Indemnified Party harmless from all its reasonable out-of-pocket expenses, including reasonable attorneys' fees, incurred in connection with the Indemnified Party's cooperation; provided, further, that if the Indemnifiable Claim relates to a matter before a Regulatory Authority, the Indemnified Party may elect, upon notice to PMI, to assume the defense of the Indemnifialbe Claim at the cost of and with the cooperation of PMI. If PMI assumes responsibility for the settlement or defense of any such claim, (i) PMI shall permit the Indemnified Party to participate at the Indemnified Party's expense in such settlement or defense through counsel chosen by the Indemnified Party; provided that, in the event that both PMI and the Indemnified Party are defendants in the proceeding and the Indemnified Party shall have reasonably determined and notified PMI that representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them, then the fees and expenses of one such counsel for all Indemnified Parties in the aggregate shall be borne by PMI; and (ii) PMI shall not settle any Indemnifiable Claim without the Indemnified Party's consent.

(d) If PMI does not notify the Indemnified Party within ten (10) days after receipt of the Claim Notice that it elects to undertake the defense of the Indemnifiable Claim described therein, or if PMI fails to contest vigorously any such Indemnifiable Claim, or if the Indemnified Party elects to control the defense of an Indemnifiable Claim as permitted by Section 10(c), then, in each case, the Indemnified Party shall have the right, upon notice to PMI, to contest, settle or compromise the Indemnifiable Claim in the exercise of its reasonable discretion; provided that the Indemnified Party shall notify PMI prior thereto of any compromise or settlement of any such Indemnifiable Claim. No action taken by the Indemnified Party pursuant to this paragraph (d) shall deprive the Indemnified Party of its rights to indemnification pursuant to this Section 10.

(e) All amounts due under this Section 10 shall be payable not later than ten (10) days after written demand therefor.

(f) The terms of this Section 10 shall survive the expiration or earlier termination of this Agreement.

11. **Assignment.** This Agreement and the rights and obligations created under it shall be binding upon and inure solely to the benefit of the Parties and their respective successors, and permitted assigns. None of the Parties shall be entitled to assign or transfer any rights or obligations under this Agreement (including by operation of law) without the prior written consent of the other Parties, which shall not be unreasonably withheld or delayed. No assignment made in conformity with this Section 11 shall relieve a Party of its obligations under this Agreement.

12. **Third Party Beneficiaries.** Nothing contained herein shall be construed as creating a third-party beneficiary relationship between any Party and any other Person.

13. **[Intentionally Omitted].**

14. **Notices.** All notices and other communications that are required or may be given in connection with this Agreement shall be provided in accordance with the Loan Sale Agreement.

15. **Relationship of Parties.** The Parties agree that in performing their respective responsibilities pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between Bank and PMI.

16. **Retention of Records.** Any Records with respect to Stand By Loan Accounts purchased by PMI pursuant hereto retained by Bank shall be held as custodian for the account of Bank and PMI as owners thereof. Bank shall provide copies of Records to PMI upon reasonable request of PMI.

17. **Agreement Subject to Applicable Laws.** If (a) any Party has been advised by legal counsel of a change in Applicable Laws or any judicial decision of a court having jurisdiction over such Party or any interpretation of a Regulatory Authority that, in the view of such legal counsel, would have a materially adverse effect on the rights or obligations of such Party under this Agreement or the financial condition of such Party, (b) any Party receives a request of any Regulatory Authority having jurisdiction over such Party, including any letter or directive of any kind from any such Regulatory Authority, that prohibits or restricts such Party from carrying out its obligations under this Agreement, or (c) any Party has been advised by legal counsel that there is a material risk that such Party's or any other Party's continued performance under this Agreement would violate Applicable Laws, then the affected Party shall provide written notice to each other Party of such advisement or request and the Parties shall meet and consider in good faith any modifications, changes or additions to the Program or the Program Documents that may be necessary to eliminate such result. Notwithstanding any other provision of the Program Documents, including Section 8 hereof, if the Parties are unable to reach agreement regarding such modifications, changes or additions to the Program or the Program Documents within [*] after the Parties initially meet, any Party may terminate this Agreement upon [*] prior written notice to the other Parties. A Party may suspend performance of its obligations under this Agreement, or require each other Party to suspend its performance of its obligations under this Agreement, upon providing the other Parties with advance written notice, if any event described in subsection 17(a), (b) or (c) above occurs.

18. **Expenses.**

(a) Each Party shall bear the costs and expenses of performing its obligations under this Agreement, unless expressly provided otherwise in the Program Documents.

(b) Each Party shall be responsible for payment of any federal, state, or local taxes or assessments associated with the performance of its obligations under this Agreement.

19. **Examination.** Each Party agrees to submit to any examination that may be required by a Regulatory Authority having jurisdiction over any other Party, during regular business hours and upon reasonable prior notice, and to otherwise provide reasonable cooperation to such other Party in responding to such Regulatory Authority's inquiries and requests related to the Program.

20. **Inspection; Reports.** Each Party, upon reasonable prior notice from any other Party, agrees to submit to an inspection of its books, records, accounts, and facilities relevant to the Program, from time to time, during regular business hours subject to the duty of confidentiality such Party owes to its customers and banking secrecy and confidentiality requirements otherwise applicable to such Party under Applicable Laws. All expenses of inspection shall be borne by the Party conducting the inspection. Notwithstanding the obligation of each Party to bear its own expenses of inspection, PMI shall reimburse Bank for reasonable out of pocket expenses incurred by Bank in the performance of periodic on site reviews of PMI's financial condition, operations and internal controls, not to exceed the maximum amount per visit of [*].

21. **Governing Law; Waiver of Jury Trial.** This Agreement shall be interpreted and construed in accordance with the laws of the State of Utah, without giving effect to the rules, policies, or principles thereof with respect to conflicts of laws. THE PARTIES HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER. The terms of this Section 21 shall survive the expiration or earlier termination of this Agreement.

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22. **Manner of Payments.** Unless the manner of payment is expressly provided herein, all payments under this Agreement shall be made by wire transfer to the bank accounts designated by the respective Parties. Notwithstanding anything to the contrary contained herein, no Party shall fail to make any payment required of it under this Agreement as a result of a breach or alleged breach by any other Party of any of its obligations under this Agreement or any other agreement, provided that the making of any payment hereunder shall not constitute a waiver by the Party making the payment of any rights it may have under the Program Documents or by law.

23. **Brokers.** None of the Parties has agreed to pay any fee or commission to any agent, broker, finder, or other person for or on account of services rendered as a broker or finder in connection with this Agreement or the transactions contemplated hereby that would give rise to any valid claim against any other Party for any brokerage commission or finder's fee or like payment.

24. **Entire Agreement.** The Program Documents, including this Agreement and its schedules and exhibits (all of which schedules and exhibits are hereby incorporated into this Agreement), constitute the entire agreement among the Parties with respect to the subject matter hereof, and supersede any prior or contemporaneous negotiations or oral or written agreements with regard to the same subject matter.

25. **Amendment and Waiver.** This Agreement may be amended only by a written instrument signed by all of the Parties. The failure of a Party to require the performance of any term of this Agreement or the waiver by a Party of any default under this Agreement shall not prevent a subsequent enforcement of such term and shall not be deemed a waiver of any subsequent breach. All waivers must be in writing and signed by the Party against whom the waiver is to be enforced.

26. **Severability.** Any provision of this Agreement which is deemed invalid, illegal or unenforceable in any jurisdiction, shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining portions hereof in such jurisdiction or rendering such provision or any other provision of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

27. **Interpretation.** The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments thereto, and the same shall be construed neither for nor against any Party, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the Parties.

28. **Jurisdiction; Venue.** The Parties consent to the personal jurisdiction and venue of the federal and state courts in Salt Lake City, Utah for any court action or proceeding. The terms of this Section 28 shall survive the expiration or earlier termination of this Agreement.

29. **Headings.** Captions and headings in this Agreement are for convenience only and are not to be deemed part of this Agreement.

30. **Counterparts.** This Agreement may be executed and delivered by the Parties in any number of counterparts, and by different parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

31. **Collateral Account.**

(a) PMI shall provide Bank with cash collateral to secure all PMI's obligations under the Program Documents, which Bank shall deposit in a deposit account ("Collateral Account") at Bank. The Collateral Account shall be a deposit account at Bank, segregated from any other deposit account of PMI or Bank, that shall hold only the funds provided by PMI to Bank as collateral. At all times, PMI shall maintain funds in the Collateral Account equal to the greatest of [*]. The Required Balance shall be calculated monthly as of the first day of each calendar month during the Term. In the event the actual balance in the Collateral Account is less than the Required Balance, PMI shall, within [*] following notice of such deficiency, make a payment into the Collateral Account in an amount equal to the difference between the Required Balance and the actual balance in such account. The "Monthly Loan Total" means, for a calendar month, the sum of the principal amounts of all Loan Accounts funded by Bank during such calendar month.

(b) To secure all PMI's obligations under the Program Documents (including PMI's obligations under the prior versions of the Program Documents in effect prior to the Effective Date), PMI hereby grants Bank a security interest in all of PMI's right, title and interest in and to the Collateral Account and all sums now or hereafter on deposit in or payable or withdrawable from the Collateral Account and the proceeds of any of the foregoing (collectively, the "Collateral"), and agrees to take such steps as Bank may reasonably require to perfect or protect such first priority security interest. PMI represents that, as of the date of this Agreement, the Collateral is not subject to any claim, lien, security interest or encumbrance (other than the interest of Bank). PMI shall not allow any other Person to have any claim, lien, security interest, or encumbrance on the Collateral. Bank shall have all of the rights and remedies of a secured party under Applicable Laws with respect to the Collateral and the funds therein or proceeds thereof, and shall be entitled to exercise those rights and remedies in its discretion.

(c) The Collateral Account shall be a money market deposit account and shall bear interest. The annual interest rate shall be adjusted monthly as of the first day of each month during the Term, and shall be equal to the greater of (i) [*]. The interest shall be paid monthly and credited to the Collateral Account no less frequently than quarterly, and shall be computed based on the average daily balance of the Collateral Account for the prior month.

(d) Without limiting any other rights or remedies of Bank under this Agreement, Bank shall have the right to withdraw amounts from the Collateral Account to fulfill any obligations of PMI under the Program Documents on which PMI has defaulted, at any time. Bank may withdraw amounts from the Collateral Account if any obligations of PMI remain unpaid for [*] after the due date for payment. To the extent that Bank has withdrawn amounts from the Collateral Account and such amounts are subsequently paid directly to Bank, Bank shall restore such amounts to the Collateral Account within [*] after receipt of the amounts paid directly to Bank. PMI shall not have any right to withdraw amounts from the Collateral Account. In the event the actual balance in the Collateral Account is more than the Required Balance calculated for a particular month, then, within [*] after the Required Balance is calculated, at PMI's option, PMI may provide to Bank a report setting forth the calculation for the Required Balance and the extent to which the actual amount held in the Collateral Account at such time exceeds the Required Balance. Within [*] after receipt of such a report from PMI, Bank shall withdraw from the Collateral Account any amount held therein that exceeds the Required Balance as of the date of such report and pay such amount to an account designated by PMI.

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[*] **Confidential Treatment Requested**

(e) Bank shall release any funds remaining in the Collateral Account on latest to occur of: [*].

(f) This Section 31 shall survive the expiration or termination of this Agreement.

[*Signature Page Follows*]

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* **Confidential Treatment Requested**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

WEBBANK

By: /s/ Kelly M. Barnett
Name: Kelly M. Barnett
Title:

PROSPER MARKETPLACE, INC.

By: /s/ Stephan P. Vermut
Name: Stephan P. Vermut
Title: CEO

Schedule 1

Definitions

(a) "Agreement" has the meaning set forth in the introductory paragraph.

(b) "Cash" means money, currency or a credit balance in any demand or deposit account (but "Cash" shall exclude any amounts that would not be considered "cash" under generally accepted accounting principles).

(c) "Cash Equivalents" means, as of the date of determination, (a) marketable securities (1) issued directly and unconditionally guaranteed as to interest and principal by the United States Government, or (2) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date; (b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrument thereof, in each case maturing within one year after such date and having, at the time of the acquisition, a rating of at least A-1 from S&P or at least P-1 from Moody's; (c) commercial paper maturing no more than one year from the date of creation and having a rating of at least A-1 from S&P or at least P-1 from Moody's; and (d) shares of any money market fund that (1) has substantially all of its assets invested continuously in the types of investments referred to in clauses (a) and (b) above, (2) has assets of not less than $500,000,000, and (3) has the highest rating obtainable from either S&P or Moody's.

(d) "Claim Notice" shall have the meaning set forth in subsection 10(c).

(e) "Disclosing Party" shall have the meaning set forth in subsection 9(b)(2).

(f) "Effective Date" shall have the meaning set forth in the introductory paragraph of this Agreement.

(g) "Indemnifiable Claim" shall have the meaning set forth in subsection 10(b).

(h) "Indemnified Parties" shall have the meaning set forth in subsection 10(a).

(i) "Losses" shall have the meaning set forth in subsection 10(a).

(j) "Net Liquidity" means, as of the date of determination, the sum of unrestricted Cash and Cash Equivalents of PMI.

(k) "Party" means PMI or Bank and "Parties" means PMI and Bank.

(l) "Restricted Party" shall have the meaning set forth in subsection 9(a).

(m) "Stand By Closing Date" means, with respect to any Closing Date, the Business Day immediately following such Closing Date.

(n) "Stand By Loan Account" shall have the meaning set forth in subsection 2(a).

II. Construction

As used in this Agreement:

(a) All references to the masculine gender shall include the feminine gender (and vice versa);

(b) All references to "include," "includes," or "including" shall be deemed to be followed by the words "without limitation";

(c) References to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation;

(d) References to "dollars" or "$" shall be to United States dollars unless otherwise specified herein;

(e) Unless otherwise specified, all references to days, months or years shall be deemed to be preceded by the word "calendar";

(f) All references to "quarter" shall be deemed to mean calendar quarter; and

(g) The fact that a Party has provided approval or consent shall not mean or otherwise be construed to mean that: (i) such Party has performed any due diligence with respect to the requested or required approval or consent, as applicable; (ii) such Party agrees that the item or information for which the other Party seeks approval or consent complies with any Applicable Laws; (iii) such Party has assumed the other Party's obligations to comply with all Applicable Laws arising from or related to any requested or required approval or consent; or (iv) except as otherwise expressly set forth in such approval or consent, such Party's approval or consent impairs in any way such Party's rights or remedies under the Agreement, including indemnification rights for PMI's or PFL's failure to comply with all Applicable Laws.