

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

Written Agreement by and between

BANK OF AMERICA CORPORATION
Charlotte, North Carolina

and

FEDERAL RESERVE BANK OF
RICHMOND
Richmond, Virginia

Docket No. 10-240-WA/RB-HC

WHEREAS, Bank of America Corporation, Charlotte, North Carolina (“BAC”), a registered bank holding company, owns and controls Bank of America, N.A., a National Association, Charlotte, North Carolina (the “Bank”), and multiple subsidiaries (collectively, “Bank of America”);

WHEREAS, the U.S. Department of Justice, Antitrust Division, the U.S. Securities and Exchange Commission, the Office of the Comptroller of the Currency, the Internal Revenue Service, and the Federal Reserve Bank of Richmond (the “Reserve Bank”) (collectively, “the Agencies”) conducted investigations and examinations concerning various types of anti-competitive activities at Bank of America by certain employees in conjunction with the sale of certain derivative financial products to municipalities and other non-profit organizations variously between the years 1998 and 2003;

WHEREAS, BAC self-reported its employees’ misconduct to the Department of Justice and has fully cooperated with the investigations and examinations conducted by the Agencies;

WHEREAS, it is the common goal of BAC and the Reserve Bank that BAC appropriately and proactively manages its firm-wide compliance risk to ensure that Bank of America operates in compliance with all applicable federal and state laws, rules, and regulations; and

WHEREAS, on December 3, 2010, the board of directors of BAC, at a duly constituted meeting adopted a resolution authorizing and directing Brian T. Moynihan to enter into this Agreement on behalf of BAC, and consenting to compliance with each and every provision of this Agreement by BAC and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. §§ 1813(u) and 1818(b)(3)).

NOW, THEREFORE, BAC and the Reserve Bank agree as follows:

Source of Strength

1. The board of directors of BAC shall take appropriate steps to fully utilize BAC’s financial and managerial resources, pursuant to section 225.4(a) of Regulation Y of the Board of Governors of the Federal Reserve System (the “Board of Governors”) (12 C.F.R. § 225.4(a)), to serve as a source of strength to the Bank, including, but not limited to, taking steps to ensure that the Bank complies with the Formal Agreement issued by the Office of the Comptroller of the Currency.

Board Oversight

2. Within 90 days of this Agreement, BAC’s board of directors shall submit to the Reserve Bank a written plan to strengthen board oversight of Bank of America’s compliance risk management program as it relates to competitively bid transactions. For the purposes of this Agreement, a “competitively bid transaction” means a transaction in which Bank of America

submits a binding bid to provide or purchase a financial product in a competitive process that is intended to result in the selection of one or more winning bids, free from any collusion. The plan, which may include elements from existing or already proposed oversight systems, shall describe the actions that the board of directors will take to ensure that competitively bid transactions comply with all applicable laws and regulations within and across business lines, support units, and legal entities. The plan shall, at a minimum, address, consider, and include:

- (a) Board of directors and senior management oversight of the development and implementation of formalized firm-wide policies and procedures for compliance risks associated with competitively bid transactions; and
- (b) measures to improve board oversight of compliance risks associated with competitively bid transactions.

Compliance Risk Management Program

3. Within 120 days of this Agreement, BAC shall submit to the Reserve Bank an acceptable written plan to satisfactorily strengthen Bank of America's compliance risk management program as applicable to any competitively bid transaction. The plan, which may include elements from existing or already proposed compliance risk management systems, shall, at a minimum, address, consider, and include:

- (a) Policies and procedures to ensure that competitively bid transactions comply with applicable laws and regulations;
- (b) measures to ensure compliance and improve accountability of competitively bid transactions;

(c) procedures for the periodic testing of the effectiveness of the compliance risk management program as it relates to competitively bid transactions and staff's adherence to policies and procedures that relate to competitively bid transactions;

(d) procedures to require the escalation of significant matters related to compliance risks associated with competitively bid transactions;

(e) internal controls to monitor adherence to firm-wide codes of ethics in conducting competitively bid transactions;

(f) ongoing training on policies and procedures for compliance with laws and regulations, including, but not limited to, securities and tax laws and regulations, for Bank of America staff who participate in competitively bid transactions; and

(g) the scope and frequency of reporting within Bank of America to senior management and board committees as to compliance risks associated with competitively bid transactions.

Progress Reports

4. Within 30 days after the end of each calendar quarter following the date of this Agreement, the board of directors shall submit to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with this Agreement.

Approval and Implementation of Plan

5. (a) BAC shall submit a written plan that is acceptable to the Reserve Bank within the applicable time period set forth in paragraph 3 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank, BAC shall adopt the approved plan. Upon adoption, BAC shall promptly implement the approved plan and thereafter fully comply with it.

(c) During the term of this Agreement, the approved plan shall not be amended or rescinded without the prior written approval of the Reserve Bank.

Communications

6. All communications regarding this Agreement shall be sent to:
 - (a) Ms. Lisa A. White
Vice President
Federal Reserve Bank of Richmond
P.O. Box 27622
Richmond, VA 23261-7622
 - (b) Mr. David Futterman
Associate General Counsel
Bank of America Corporation
4 World Financial Center
Mail Stop NY3-004-12-06
New York, New York 10281

Miscellaneous

7. Notwithstanding any provision of this Agreement, the Reserve Bank may, in its sole discretion, grant written extensions of time to BAC to comply with any provision of this Agreement.

8. The provisions of this Agreement shall be binding upon BAC and its institution-affiliated parties, in their capacities as such, and their successors and assigns.

9. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank.

10. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other action affecting BAC, the Bank, any nonbank subsidiary of BAC, or any of their current or former institution-affiliated parties and their successors and assigns.

11. Pursuant to section 50 of the FDI Act (12 U.S.C. § 1831aa), this Agreement is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 6th day of December, 2010.

BANK OF AMERICA CORPORATION

FEDERAL RESERVE BANK
OF RICHMOND

By: /s/ Brian T. Moynihan
Brian T. Moynihan
Chief Executive Officer

By: /s/ Lisa A. White
Lisa A. White
Vice President