

MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS
OF
BANK OF AMERICA CORPORATION

December 30, 2008

Pursuant to due notice, a special meeting of the Board of Directors of Bank of America Corporation was held at 4:00 p.m. on Tuesday, December 30, 2008.

The following Directors were present constituting a quorum: Messrs. William Barnett, III, Frank P. Bramble, Sr., John T. Collins, Gary L. Countryman, Tommy R. Franks, Charles K. Gifford, Kenneth D. Lewis, Walter E. Massey, Thomas J. May, O. Temple Sloan, Jr., Robert L. Tillman, and Mmes. Monica C. Lozano, Patricia E. Mitchell, Meredith R. Spangler and Jackie M. Ward.

Also present were: Messrs. Brian T. Moynihan, and Joe L. Price, and Mmes. Amy Woods Brinkley, and Alice A. Herak, officers of the Corporation.

Mr. Lewis called and chaired the special meeting and Ms. Herak kept the minutes.

Mr. Lewis advised the Board that he wished to fully inform the Board regarding discussions between management of the Corporation and federal regulators which had occurred since the Board meeting of December 22, 2008, including the federal regulators' dim view of the economy.

Mr. Lewis reported that the Board had requested that management obtain greater clarity regarding the assurances provided to him by Mr. Bernanke, Chairman of the Board of Governors of the Federal Reserve ("Fed") and Mr. Paulson, Secretary of the Treasury ("Treasury") and to advance the completion of the commitment to the Corporation from the federal regulators on which the Board and management would rely to consummate the scheduled acquisition of Merrill Lynch & Co. ("Merrill Lynch"). He reported that management had requested that the Treasury and the Fed confirm the terms and conditions of their commitment before the closing date of the acquisition of Merrill Lynch on January 1, 2009. He

further reported that management had engaged in a series of telephone calls and communications with the federal regulators to obtain greater certainty with regard to the terms and conditions of the federal regulators' commitment.

Mr. Lewis reported that in his conversations with the federal regulators regarding the Corporation's pending acquisition of Merrill Lynch, he had stated that, were it not for the serious concerns regarding the status of the United States financial services system and the adverse consequences of that situation to the Corporation articulated by the federal regulators (the "adverse situation"), the Corporation would, in light of the deterioration of the operating results and capital position of Merrill Lynch, assert the material adverse change clause in its merger agreement with Merrill Lynch and would seek to renegotiate the transaction.

Further, Mr. Lewis reported that it was also made clear to the federal regulators that, because of the federal regulators' express concerns regarding the adverse situation that would occur if the Corporation failed to acquire Merrill Lynch, it is appropriate that the federal government make the Corporation whole for the deterioration in Merrill Lynch's operating results and financial condition.

Mr. Lewis described the conversations that had occurred predominately with Mr. Warsh, with whom Mr. Bernanke had directed management to communicate. He reported the purpose of such conversations was to sufficiently detail the needs and expectations of the Corporation to the federal regulators before the effective date of the acquisition of Merrill Lynch.

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Mr. Lewis stated that the Corporation did not have a written agreement with the federal regulators and that the Corporation could only rely on the oral commitments of Messrs. Bernanke and Paulson and their senior representatives at the Treasury and Fed, including Mr. Warsh. Mr. Lewis explained that written assurances would not be received before January 1, 2009, because any written assurances would require formal action by the Fed and Treasury, which formal action would require public disclosure. Mr. Lewis also reported that according to the federal regulators any written assurances delivered prior to January 1, 2009, would not, in any event, provide sufficient detail to provide comfort to the Board and management of the commitment by the federal regulators.

In accordance with the recommendation of the Board at the preceding meeting, Mr. Lewis reported that management has obtained detailed oral assurances from the federal regulators with regard to their commitment and has documented those assurances with e-mails and detailed notes of management's conversations with the federal regulators. Mr. Lewis reported the dates and times of certain of the communications and the significant extent of management's efforts. Mr. Lewis then discussed in detail several of the conversations between Mr. Price and Mr. Warsh establishing essential elements of the commitment of the federal regulators, including: (i) an agreement from the federal regulators that their commitment be fully documented on or before January 20, 2009; (ii) a confirmation of the continuing and strong admonition of the federal regulators that failure of the Corporation to consummate the acquisition of Merrill Lynch would cause significant systemic risk to the financial system and the economy of the United States and would be specifically adverse to the Corporation; and (iii) the commitment of the federal regulators to deliver assistance in the form of capital and asset protection to the Corporation.

Mr. Lewis noted that Mr. Price has shared with the government management's expectations as to the amount of capital expected to be provided to the Corporation and the general construct of any equity position to be received by the federal regulators, as well as the Corporation's efforts with counsel and the Corporation's accountants with regard thereto. Mr. Lewis also noted that Mr. Price had been clear in his discussions regarding the Corporation's concerns about preventing dilution of the interests of the existing shareholders of the Corporation.

Mr. Lewis shared the Corporation's expectations presented to the federal regulators regarding the amount of proposed protection from the federal regulators against the impact of the on and off balance sheet assets of Merrill Lynch, the specific assets identified, current carrying values and related items, including the government's rate and order of absorption of losses upon reduction of market values and substantial discounts to original market values. He reported that management has also asserted clearly in discussions with the federal regulators that any "premium" charged by the government for such insurance should be modest. He also stated the Corporation's proposal insulates the most troubling Merrill Lynch assets, and retains upside potential for the Corporation.

Mr. Lewis stated that management has been insistent with the federal regulators that clarity exist with regard to their commitment. He reported that management is confident

that Mr. Warsh understands the Corporation's position clearly. He further confirmed that Mr. Bernanke had assured him the Corporation would not be penalized by accepting the commitment of the federal regulators and that acceptance of the commitment would be beneficial to the Corporation and its shareholders. Mr. Lewis also noted, however, that the details of the commitment were not finalized.

Mr. Lewis explained that recent discussions had begun to address concerns raised by the supervisory regulators of the Fed. These regulators had expressed concern regarding the Corporation's ability to remain stable in light of their own view of the economy, the Corporation's earnings prospects and the stability of the banking industry. Mr. Lewis reported the Fed's objective is that the Corporation remain above reproach as a stable member of the financial system as the recession continues.

Mr. Lewis described the federal regulators' dim view of the near term economy and their projections of the economy's impact on the Corporation's earning prospects for 2009. He reported the regulators concern that weakened earnings and dividend payments could cause capital issues for the Corporation by early in the second quarter in view of the low tangible common equity ratio.

Mr. Lewis shared his and Mr. Price's conversations with the federal regulators, particularly Mr. Warsh, who articulated the government's desire for an injection of new private capital into the industry and future offerings of common stock by the Corporation in which the government would participate. He described discussions with the regulators regarding projected target common equity ratios, dividends, ring-fencing of certain assets of the Corporation, capital cushions for the Corporation and the government's long term and short term views regarding the provision for addition equity. Mr. Lewis explained the government's desire to see of a reduction of the Corporation's dividend to a nominal amount, perhaps 5 cents per share per quarter to protect the Corporation's capital.

Mr. Lewis stated the federal regulators' clear position that if the Corporation declined on an equity infusion at this time only to later come back and request that the government make a further equity infusion with respect to the Corporation, its terms would be onerous to the Corporation.

Mr. Lewis discussed the implications of government ownership of a portion of the Corporation and two potential transactions with the government: a capital injection including a wrap of certain assets and a capital offering including ring-fencing of certain assets of the Corporation. He noted that both potential transactions remain under discussion with the federal regulators.

Mr. Lewis stated that no definitive agreement has been reached with the federal regulators, but that management of the Corporation had clearly explained to the federal regulators the terms and conditions required by the Corporation to consummate the acquisition of Merrill Lynch on January 1, 2009. In return, he reported, management has received strong assurances from all relevant federal regulators and policy makers that the Corporation will receive adequate and appropriate assets to neutralize the impact to the financial condition of the Corporation resulting from the Corporation's acquisition of Merrill Lynch on January 1, 2009. He stated that federal regulators had advised management of their desire that the Corporation remain stable and their willingness to assist the Corporation to raise capital, if necessary, to stabilize the Corporation's asset base.

Mr. Lewis concluded his remarks by stating that management will continue to work with the federal regulators to transform the principles that have been discussed into an appropriately documented commitment to be codified and implemented in conjunction with the Corporation's earning release on January 20, 2009.

Robust discussion ensued, including the Corporation's recourse should the federal regulators fail to comply with their assurances on which the Board and management have relied.

Mr. Price elaborated on his conversations with Messrs. Bernanke and Paulson. He reported that he had confirmed to Mr. Bernanke and Mr. Paulson the reliance of the Board and management on the federal regulators' assurances. He described the alternatives potentially available to the Corporation in a transaction with the government and the terms and conditions of agreements between the federal regulators and other institutions in the industry.

Mr. Moynihan
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Further discussion ensued including backstops available to the Corporation,
capital ratios and dividends.

After summary remarks by Mr. Lewis, there being no further business to come
before the Board, the meeting was adjourned.



Kenneth D. Lewis
Chairman of the Board



Alice A. Herald
Secretary