

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND**

IN RE MUTUAL FUNDS	)	MDL-1586
INVESTMENT LITIGATION	)	
	)	Case No. 04-md-15862
Bank of America/Nations sub-track	)	
	)	
	)	

**STIPULATION OF SETTLEMENT**

Whereas, beginning in September 2003, various putative class and derivative actions concerning alleged market-timing and late-trading activities were filed on behalf of shareholders of Nations Funds Mutual Funds and on behalf of Nations Funds against various defendants, including Bank of America Corporation, Banc of America Capital Management, LLC (“BACAP”) and Banc of America Securities, LLC (“BAS”);<sup>1</sup> and

Whereas, certain subsidiaries of Bank of America Corporation — BACAP, BACAP Distributors, LLC, and BAS (the “Bank of America Respondents”) — settled regulatory investigations into alleged market-timing and late-trading activities with the Securities and Exchange Commission (“SEC”) in In the Matter of Banc of America Capital Management, LLC, et al., SEC Admin. Pro. No. 3-11818 (Feb. 9. 2005), and the New York Attorney General’s

<sup>1</sup> The term “Bank of America Defendants” as used herein refers to Bank of America Corporation, Bank of America, N.A., BACAP, BACAP Distributors, LLC and BAS. Certain entities referred to in, and covered by, this Stipulation of Settlement, such as BACAP, BACAP Distributors and certain Nations Funds Mutual Funds, have

Office (“NYAG”) in In the Matter of Banc of America Capital Management, LLC, et al. (Feb. 9, 2005); and

Whereas, in the negotiations leading up to the settlement of these investigations, at the request of the regulators, the Bank of America Respondents presented damages analyses to the regulators for trading by Canary, TranSierra and certain introducing brokers in shares of Nations Funds Mutual Funds based on the so-called “Delta NAV” and “net profit” methodologies for calculating “dilution” to fund shareholders; and

Whereas, to settle the regulatory investigations, the Bank of America Respondents agreed to pay \$375 million into a Fair Fund to be set up pursuant to Section 308 of the Sarbanes-Oxley Act and which is available to compensate, among others, affected shareholders and/or mutual funds — including mutual funds and/or the shareholders thereof that are unaffiliated with the Bank of America Respondents, such as Alliance, MFS, Janus, AIM, Invesco, RS and numerous others — pursuant to a distribution plan to be developed by an Independent Distribution Consultant (“IDC”) appointed pursuant to the SEC settlement order; and

Whereas, the Bank of America Respondents have presented analyses to the IDC showing that, for the trading by Canary, TranSierra and the introducing brokers into Nations Funds Mutual Funds, under various damages methodologies, the Delta NAV and net profit methodologies are at the high end of the damages range and show dilution of approximately \$21.4 million and \$20.5 million, respectively; and

Whereas, plaintiffs’ counsel met with the IDC both before and after the execution of the Memorandum of Understanding to discuss issues concerning market-timing and late-trading and to present their views on the damages resulting from such market-timing and late-trading; and

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been renamed and/or restructured subsequent to the conduct at issue in this litigation. Except where expressly noted otherwise, this Stipulation of Settlement uses the names of entities as those entities were titled in September 2003.

Whereas, plaintiffs' counsel, including class, fund derivative and ERISA counsel, have presented analyses to the IDC setting forth purported damages to the shareholders of the Nations Funds Mutual Funds, the Nations Funds Mutual Funds themselves, and/or Nations Funds substantially in excess of the damages under the Delta NAV and net profit methodologies; and

Whereas, the parties to the civil litigation and to this Stipulation of Settlement, including plaintiffs, Bank of America, Nations Funds Trust, and the trustees of Nations Funds Trust, engaged in extensive settlement negotiations that included the exchange of confidential materials and numerous face-to-face and telephonic meetings and which resulted in the execution of a Memorandum of Understanding dated August 3, 2005; and

Whereas, in negotiations between certain parties to the civil litigation in the Bank of America/Nations sub-track in MDL-1586, counsel for the Nations Funds Class Plaintiffs, the Bank of America ERISA Plaintiff, and the Nations Fund Derivative Plaintiff argued that the measure of damages materially exceeded the Delta NAV and net profit methodologies by virtue of the claims that they had asserted in their respective Amended Complaints; and

Whereas, in negotiations between the parties to the civil litigation, the Bank of America Defendants denied liability and argued that the Delta NAV and net profit methodologies substantially exceed any damages recoverable from Bank of America;

**NOW, THEREFORE, IN CONSIDERATION FOR THE SETTLEMENT AND  
RELEASE OF THE LITIGATION, THE PARTIES AGREE AS FOLLOWS:**

**IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned settling parties, by and through their respective undersigned counsel, that the Actions shall be fully, finally and forever resolved, discharged, settled, compromised, and dismissed with prejudice,**

subject to approval of the Court, in the manner and upon the terms and conditions hereafter set forth:

1. Definitions:

As used in this Stipulation, the following terms have the meanings specified below:

(a) “Actions” means the various class and fund derivative actions transferred to or filed in MDL-1586, In re Mutual Funds Investment Litigation, that were brought by or on behalf of (i) shareholders of Nations Funds Mutual Funds, (ii) participants in Bank of America’s 401(k) plan, and (iii) beneficiaries, owners, beneficial owners, or principals of trusts, accounts, or other entities for which Bank of America, N.A. or any of its parents, subsidiaries, affiliates, predecessors, successors or assigns acted as trustee, fiduciary, or agent and that were directly or indirectly invested in Nations Funds Mutual Funds.

(b) “Bank of America” means Bank of America Corporation, its predecessors, and all of their present and former affiliates and subsidiaries.

(c) “Classes” means the Nations Funds Class and the ERISA Class, for which the appropriate plaintiffs’ counsel will seek class certification for settlement purposes only:

(i) “Nations Funds Class” means a class consisting, collectively, of: (x) all shareholders who purchased or held shares of Nations Funds Mutual Funds at any time from September 8, 1998 to September 9, 2003, and (y) all beneficiaries, owners, beneficial owners, or principals of trusts, accounts, or other entities for which Bank of America, N.A. or any of its parents, subsidiaries, affiliates, predecessors, successors or assigns acted as trustee, fiduciary, or agent and that were directly or indirectly invested in Nations Funds Mutual Funds at any time from September 8, 1998 to September 9, 2003 (the “Fiduciary Subclass”); and

(ii) “ERISA Class” means a class consisting of all participants in the Bank of America 401(k) Plan or any predecessor plan at any time from October 9, 1997 to September 29, 2004 whose accounts included investments in the Nations Funds Mutual Funds or common or preferred stock of Bank of America or any of its predecessors.

(d) “Class Member” means any member of either of the Classes.

(e) “Effective Date” means the date on which the Settlement becomes effective according to the terms of Paragraph 19 herein.

(f) “Final” means the latest of:

(i) the expiration of the time for the filing or noticing of any appeal from any judgment or order of dismissal; or

(ii) the date of final affirmance of any appeal of any judgment or order of dismissal, the expiration of the time for a petition for a writ of certiorari or writ to review any judgment or order of dismissal and, if certiorari or review is granted, the date of final affirmance of any judgment or order of dismissal following review pursuant to that grant; or

(iii) the date of final dismissal or withdrawal of any appeal from any judgment or order of dismissal or the final dismissal, denial or withdrawal of any proceeding on certiorari or writ of review to review any judgment or order of dismissal.

For the purposes of this paragraph, an “appeal” shall include any petition for a writ of certiorari or any other writ that may be filed in connection with approval or disapproval of this Settlement, but shall not include any appeal that concerns only the issue of attorneys’ fees and reimbursement of expenses awarded to counsel.

(g) “Final Settlement Hearing” means that final hearing to be held by the Court to determine, among other things, whether the Classes should be finally certified for purposes of

settlement, whether the proposed Settlement should be finally approved as fair, reasonable and adequate, and whether an order approving the Settlement, enjoining the Releasing Parties from bringing any Released Claims against the Released Parties, and dismissing the Actions should be entered.

(h) “Letter Agreement” means the letter concerning the settlement of the Actions executed among certain of the undersigned parties on August 3, 2005.

(i) “Nations Funds” shall mean the Nations Funds Trust (currently known as Columbia Funds Series Trust) and all other registered investment companies advised by an affiliate of Bank of America housing funds or series of funds using or formerly using the name Nations whose shares were sold directly to the public during the Class Period.

(j) “Nations Funds Mutual Funds” shall mean all of the funds or series of funds housed by Nations Funds.

(k) “Notices” means the notices of the Settlement to be provided to the Class Members, the form of which is to be agreed upon by the appropriate parties to this Stipulation of Settlement.

(l) “Preliminary Approval Order” means an order preliminarily approving the Settlement reflected in this Stipulation of Settlement, the form of which is to be agreed to by the parties to this Stipulation of Settlement.

(m) “Released Claims” means any and all claims, whether direct, derivative or brought in any other capacity, against the Released Parties that the Releasing Parties had, have now, or may have that concern or relate in any way, whether directly or indirectly, to excessive or short-term trading, market-timing or late-trading in the Nations Funds Mutual Funds, including, without limitation, claims based on allegations that the Released Parties allowed,

failed to prevent, cleared, brokered, financed, facilitated, subjected investors to, or were otherwise involved in such trading (all only to the extent of such trading in the Nations Funds Mutual Funds), including, without limitation, claims brought under the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisers Act of 1940, ERISA, RICO, other federal common or statutory law, state common law or state statutory law, and including, without limitation, claims for compensatory damages, whether direct or consequential, punitive damages, treble damages, penalties, injunctive or equitable relief, declaratory relief, rescission, disgorgement, restitution or the return or forfeiture of advisory, management, or other fees. The Released Claims include, without limitation, all claims asserted against the Released Parties in the Consolidated Amended Class Action Complaint, the Amended Class Action Complaint for Violations of the Employee Retirement Income Security Act, and the Consolidated Amended Fund Derivative Complaint, which were all filed in the Bank of America/Nations Funds Sub-track and are all dated September 29, 2004, and Anding v. Bank of America Corporation, originally filed in the Eastern District of Arkansas as 4-05 CV 0000525 (JLH) and transferred to this Court by the Judicial Panel on Multidistrict Litigation.

(n) “Released Parties” means:

(i) Bank of America Corporation and all of its present and former affiliates and subsidiaries, including, without limitation, Bank of America, N.A. (in any capacity, including, without limitation, in its capacity as a trustee, fiduciary, or agent), Banc of America Capital Management, LLC, BACAP Distributors, LLC, and Banc of America Securities, LLC, and all of their present and former employees, officers, directors, members, partners, managers, agents, counsel, predecessors, successors and assigns;

(ii) Nations Funds, Nations Master Investment Trust, and Nations Separate Account Trust and all of their present and former employees, officers, directors, trustees, members, agents, counsel, predecessors, successors and assigns;

(iii) Nations Funds Mutual Funds and all of their predecessors, successors and assigns;

(iv) William H. Grigg, James Ermer, Thomas F. Keller, Edmund L. Benson, III, James B. Sommers, Thomas S. Word, Jr., Charles B. Walker, Carl E. Mundy, Jr., William P. Carmichael, Minor M. Shaw, Cornelius J. Pings, A. Max Walker (collectively, the “Named Trustees”), and each of their families, heirs, spouses, successors, general or limited partners or partnerships, personal or legal representatives, estates, administrators, related or affiliated entities, or any trust of which any of the Named Trustees are the settlers or which is for the benefit of any family member of any Named Trustees;

(v) all other entities that provided advisory, distribution, administration, or other services to the Nations Funds or Nations Funds Mutual Funds during the relevant time period, including but not limited to Stephens Inc., PFPC, Inc., Putnam Investment Management, LLC, Marsico Capital Management, LLC, Brandes Investment Partners, LP, and Invesco Global Asset Management, N.A., and all of their present and former employees, officers, directors, members, partners, managers, agents, counsel, predecessors, successors and assigns; and

(vi) the Bank of America 401(k) Plan or any predecessor plan, and all individuals or entities that are or may have been at any time considered to be fiduciaries of the Bank of America 401(k) Plan or any predecessor plan under any applicable law including but not limited to ERISA.

(o) “Releasing Parties” means all Class Members, and with respect to natural persons who are Class Members, their present or past heirs, executors, administrators, successors and assigns, and with respect to legal entities other than natural persons, their predecessors, successors and assigns; the Nations Funds and all of their predecessors, successors and assigns; the Nations Funds Mutual Funds and all of their predecessors, successors and assigns; the Named Trustees of the Nations Funds Trust; and Nations Master Investment Trust.

(p) “Settlement” means the agreement reflected in this Stipulation.

(q) “Settlement Administrator” means the individual or entity selected by the parties to the Settlement with the responsibilities set forth in Paragraph 12.

2. MDL-1586 (Bank of America/Nations Funds sub-track) Settlement Payment

Amount: The MDL-1586 (Bank of America/Nations Funds sub-track) Settlement Payment Amount (“MDL-1586 Settlement Payment Amount”) is \$60.0 million. This Settlement is contingent upon the entire MDL-1586 Settlement Payment Amount being satisfied by the Fair Fund created pursuant to Bank of America Respondents’ settlement with the SEC. If the distribution plan approved by the SEC with respect to Bank of America Respondents’ settlement with the SEC provides that less than \$60.0 million is to be distributed to Nations Funds shareholders and/or Nations Funds Mutual Funds, then the terms of Paragraph 10 herein are applicable.

3. Additional Consideration: Following the Effective Date, the board of trustees of Nations Funds Trust shall establish and maintain for at least five fiscal years a Mutual Fund Trading Committee of at least two trustees who are not interested (as that term is defined in 15 U.S.C. §§ 80a-2(a)(19)) whose responsibility it will be to review issues concerning market-timing and late-trading in Nations Funds Mutual Funds, including efforts to detect and stop any

such trading. This review shall include review of mutual fund share turnover ratios in Nations Funds Mutual Funds and receipt of periodic reports from portfolio managers and personnel responsible for detecting and preventing market-timing. Bank of America shall require that, beginning in 2006, the independent third-party compliance reviews to be conducted pursuant to the SEC settlement order include testing and analysis of the policies and procedures used to detect and stop market-timing and late-trading. Results of this review shall be reported to the Mutual Fund Trading Committee. In addition, for the five fiscal years following approval of this settlement, in its registration statement filed with the SEC, as updated periodically, the Nations Funds Trust shall report on the Mutual Fund Trading Committee's work and process.

4. Dismissal: Subject to Court approval, all Released Claims brought by the Releasing Parties against the Released Parties in any case transferred to or filed in MDL-1586 are to be dismissed with prejudice. All claims asserted against the Released Parties in the complaints referenced in the last sentence in Paragraph 1(m) above are to be dismissed with prejudice.

5. Releases: Upon the Effective Date and by operation of the Judgment, the Releasing Parties: (i) shall be conclusively deemed to have fully, finally and forever released, relinquished, and discharged all Released Claims against the Released Parties; (ii) shall be conclusively deemed to have covenanted not to sue the Released Parties in any action alleging any claim that is a Released Claim; and (iii) shall forever be enjoined and barred from asserting the Released Claims against any Released Party in any action or proceeding of any nature. The foregoing release is given regardless of whether such Releasing Parties have: (i) received one of the Notices; (ii) received distributions from the Fair Fund created pursuant to Bank of America Respondents' settlement with the SEC; or (iii) filed an objection to the Settlement.

6. Other Claims: This settlement does not release: (i) those claims asserted in the Bank of America Corporation Parent Derivative cases in MDL-1586; (ii) those claims asserted in any other case that is part of MDL-1586 and that involves alleged harm to investors or funds in a family of mutual funds other than the Nations Funds Mutual Funds; or (iii) the claims, other than Released Claims (if any), presently asserted in Kutten, et al. v. Bank of America, N.A., et al., Case No. 04-CV-00244 (CAS)(E.D. Mo.); Reinke, et al., v. Bank of America, N.A., et al., Case No. 04-CV-01758 (CAS)(E.D. Mo.); and Williams, et al. v. Bank of America, N.A., et al., CA 02-15454 AB (Cir. Ct., 15th Jd. Cir. Fl.). With respect to the claims, other than Released Claims (if any), asserted in Kutten, Reinke, or Williams, nothing in this Stipulation or the Settlement reflected herein purports to affect the respective positions or rights, procedural or substantive, of the parties in those actions.

7. Derivative Claims against Third Parties: Promptly after the Effective Date, Nations Funds Trust will assume direct control over the claims brought in the Consolidated Amended Fund Derivative Complaint on behalf of Nations Funds Trust against non-settling third-party brokers and/or traders and their officers, employees or affiliates. At that time, the parties will move the Court to realign Nations Funds Trust from nominal defendant to plaintiff and to substitute counsel for Nations Funds Trust for Nations Funds Lead Fund Derivative Counsel. The Nations Fund Derivative Plaintiff agrees not to bring any additional claims purportedly on behalf of Nations Funds or the Nations Funds Mutual Funds concerning excessive or short-term trading, market-timing or late-trading. In the event that Nations Funds Trust makes a recovery as a result of its pursuit of the claims against non-settling third-party brokers and/or traders, it will use its best efforts to allocate that recovery to Nations Funds Mutual Funds affected by their trading. In the event that at some later date Nations Funds Trust

determines not to further pursue these third-party claims, it shall report that decision to the Court and the signatories to this Stipulation.

8. Preliminary Approval Order: It is the parties' present intention that, subsequent to the IDC presenting a preliminary distribution plan to the SEC, the Nations Funds Class Plaintiffs, the Bank of America ERISA Plaintiff, and the Nations Fund Derivative Plaintiff shall move the Court for entry of the Preliminary Approval Order providing, among other things, (x) preliminary approval of the Settlement; (y) preliminary enjoinder of Releasing Parties from bringing any Released Claims against any Released Party; and (z) approval of the Notice to the Classes of the Final Settlement Hearing. It is the parties' present intention that, subject to Court approval, the Final Settlement Hearing will be held after the SEC has approved a distribution plan for the Fair Fund established pursuant to Bank of America Respondents' settlement with the SEC and at a mutually convenient time as determined by the parties.

9. Cooperation with IDC: The parties agree to use their best efforts to recommend to the IDC a proposed distribution plan that reflects and effectuates the terms of this settlement. The parties agree to recommend to the IDC that \$12.5 million of the \$60.0 million should constitute a recovery on behalf of Nations Funds Mutual Funds. The parties recognize that the IDC is independent and that the IDC may or may not choose to reflect any of the parties' recommendations in the distribution plan that he submits to the SEC.

10. SEC Approval of IDC Distribution Plan: This Settlement is contingent upon a final distribution plan made pursuant to the Fair Funds provision of Section 308 of the Sarbanes-Oxley Act that incorporates a minimum payment amount to the Nations Funds shareholders and/or Nations Funds Mutual Funds equal to or greater than the MDL-1586 Settlement Payment Amount of \$60.0 million. In the event that the final distribution plan as approved by the SEC

provides for a distribution to the Nations Funds shareholders and/or Nations Funds Mutual Funds of an amount less than the MDL-1586 Settlement Payment Amount: (i) Bank of America may, in its sole discretion, waive the condition that the entire settlement payment amount be paid out of the Fair Fund, and fund the difference; (ii) if Bank of America chooses not to do so, Lead Counsel for the Nations Funds Class Plaintiffs and/or Nations Funds Lead Fund Derivative Counsel shall have the right to withdraw from this Stipulation and the Settlement; and (iii) if either Lead Counsel for the Nations Funds Class Plaintiffs or Nations Funds Lead Fund Derivative Counsel exercise their withdrawal rights under subpoint (ii) of this provision, Bank of America shall have the right to declare this Stipulation and the Settlement void.

11. Court Approval: This Settlement is contingent upon preliminary and final court approval, including certification of the Classes for the purposes of settlement. The parties agree to use their best efforts to obtain preliminary and final court approval and to coordinate the court approval process with the SEC's approval of an IDC distribution plan as provided for in Paragraph 8 above.

12. Settlement Administration:

(a) The Settlement Administrator shall administer the Settlement subject to the jurisdiction of the Court. Except as expressly provided herein, the Released Parties shall have no liability to the undersigned plaintiffs, the Classes, or the present shareholders of the Nations Funds Mutual Funds in connection with such administration. The settling defendants shall use their best efforts to provide the Settlement Administrator with records and other information concerning, as directed by the Court, the identity of members of the Classes and the present shareholders of the Nations Funds Mutual Funds.

(b) The costs for the Settlement Administrator will be borne by Bank of America and shall include the costs of identifying, as directed by the Court, members of the Classes and the present shareholders of the Nations Funds Mutual Funds, effecting notice, as directed by the Court, to the Classes and the present shareholders of the Nations Funds Mutual Funds, the actual costs of publication, printing and mailing such notice, and the administrative expenses incurred and fees charged by the Settlement Administrator in connection with providing the above services. If the Settlement fails to become effective, moneys expended prior to that time for the costs and expenses of notice and administration shall not be refundable to Bank of America.

(c) Upon preliminary approval of the Settlement by the Court, and according to a schedule to be agreed to by the undersigned parties and approved by the Court, the Settlement Administrator will distribute the Notices as directed by the Court.

(d) Within 10 days of the Final Settlement Hearing, the Settlement Administrator shall provide counsel to all parties to this Stipulation with a summary of the responses to the Notices that it has received.

13. Contribution and Indemnification: The Releasing Parties agree to give any non-settling defendant, whether named now or named later, the benefit of a judgment reduction or offset equal to the greater of (i) the amount paid to the Nations Funds shareholders and/or Nations Funds Mutual Funds pursuant to the IDC distribution plan as approved by the SEC or (ii) the Released Parties' percentage of fault (relating only to excessive or short-term trading, market-timing or late-trading in the Nations Funds Mutual Funds). Notwithstanding such judgment reduction or offset, in the event that the Releasing Parties obtain a judgment against a non-settling defendant (relating only to excessive or short-term trading, market-timing or late-trading in the Nations Funds Mutual Funds), the Releasing Parties agree to further reduce such

judgment so as to extinguish any claim that such non-settling defendant has successfully litigated against any Released Party for contribution, indemnification or the like, however styled. The Releasing Parties further agree to delay distribution of any proceeds recovered from any non-settling defendant (relating only to excessive or short-term trading, market-timing or late-trading in the Nations Funds Mutual Funds) until any such claim against any Released Party is fully and finally resolved.

14. Bar Order: The parties shall submit to the Court a proposed bar order that, upon the Effective Date, would bar claims against the Released Parties for contribution, indemnification or the like, however styled, by non-settling defendants, whether such defendants are named now or named later, to the maximum extent permitted by law.

15. Counsel Fees and Expenses:

(i) Plaintiffs' Counsel shall submit a fee and expense application for their work and benefits achieved in the amount of \$6.25 million, which equals approximately 16.0% of the amount by which the MDL-1586 Settlement Payment Amount exceeds the Delta NAV and net profit measures of dilution for trading by Canary, TranSierra and the introducing brokers in the Nations Funds Mutual Funds (approximately \$21 million), plus documented out-of-pocket expenses, including experts' fees, not to exceed \$750,000. Plaintiffs' Counsel shall limit their fee and expense application to such amounts. Such fees as are awarded by the Court, expenses of Plaintiffs' Counsel, including experts' fees, plus all expenses of notice and administration relating to this settlement, will be paid by Bank of America and will not be paid out of the regulatory distribution fund created pursuant to the Fair Funds provision of Section 308 of the Sarbanes-Oxley Act or the MDL-1586 Settlement Payment Amount.

(ii) The procedure for and the allowance or disallowance by the Court of any fee and expense applications are not part of the Settlement. Any order or proceedings relating to the fee and expense applications, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to alter, terminate or cancel the Stipulation of Settlement, or affect or delay the finality of the Judgment approving the Stipulation of Settlement.

(iii) Such fee and/or expense awards as are awarded by the Court shall be paid, in escrow, to Lead Counsel for the Nations Funds Class Plaintiffs, for the benefit of the plaintiff signatories' counsel, by Bank of America within 10 days of the later of: (a) such fee and/or expense award becoming Final; (b) the Effective Date of the Settlement.

16. No Admission with Respect to Liability or Damages: The settlement of this matter does not constitute an admission of liability on behalf of the Released Parties or an admission by any party to this Stipulation that the MDL-1586 Settlement Payment Amount represents a reasonable estimate of damages or that any particular method for calculating dilution is appropriate. No party to this agreement shall seek to use this Stipulation or the Settlement as evidence of liability or damages in any case. If the Settlement is not approved by the Court, this Stipulation shall have no force or effect and shall be considered null and void in its entirety.

17. Letter Agreement: This Stipulation and the Settlement reflected herein are subject to certain contingencies concerning opt outs and other matters set forth in the Letter Agreement between the Bank of America Defendants, Lead Counsel for the Nations Funds Class Plaintiffs, and Bank of America ERISA Plaintiffs' Counsel.

18. Order and Final Judgment of Dismissal: Following the Final Settlement Hearing, upon approval by the Court of the Settlement contemplated by this Stipulation, the Judgment,

substantially in the form of the Judgment agreed to and submitted by the parties to this Stipulation of Settlement, shall be entered by the Court.

19. Conditions of Settlement:

(a) The Effective Date of this Settlement shall not occur unless and until each of the following events occurs and shall be the date on which the last (in time) of the following events occurs:

(i) The SEC approves a distribution plan providing for the distribution of the MDL-1586 Settlement Payment Amount, or more, to Nations Funds shareholders and/or Nations Funds Mutual Funds or, if the SEC approves a distribution plan providing for the distribution of less than the MDL-1586 Settlement Payment Amount to Nations Funds shareholders and/or Nations Funds Mutual Funds, this Settlement is not terminated pursuant to Paragraph 10 herein;

(ii) The Court certifies the Classes for purposes of settlement;

(iii) The Court enters a Preliminary Approval Order substantially in the form agreed to and submitted by the parties to this Stipulation of Settlement;

(iv) The Court enters the Judgment, which shall effectuate the terms of this Settlement, including the release of all Released Claims against all Released Parties by all Releasing Parties, substantially in the form agreed to and submitted by the parties to this Stipulation of Settlement (or, in the event that the Court enters an order and final judgment in a form other than that provided above (“Alternative Judgment”) and none of the Settling Parties elect to terminate the Settlement within 15 days of entry of the Alternative Judgment); and

(v) The Judgment of the Court has become Final.

(b) Neither a modification nor reversal on appeal of the award of counsel fees and expenses shall prevent the Judgment from becoming Final.

(c) The Bank of America Defendants shall have the option to cancel or terminate this Stipulation if, prior to the Final Settlement Hearing, the Letter Agreement provides them with the opportunity to terminate the agreement to settle the Actions. Unless otherwise directed by the Court, the Letter Agreement will not be filed with the Court prior to the Final Settlement Hearing unless a dispute arises among the signatories to the Letter Agreement concerning its interpretation or application.

20. Effect of Disapproval, Cancellation or Termination:

(a) If the Court refuses or declines to allow any of the conditions specified in Paragraph 19 or if the Judgment is reversed, then the Bank of America Defendants or the undersigned plaintiffs counsel shall have the right to terminate the Settlement by providing written notice of their election to do so (“Termination Notice”) to all parties to this Stipulation within thirty (30) days of the failure of any of the conditions specified in Paragraph 19.

(b) Neither a modification nor a reversal on appeal of any amount of counsel fees or expenses shall constitute grounds for termination of this Stipulation.

(c) Except as otherwise provided herein, in the event the Settlement is terminated, then the parties to this Stipulation shall be deemed to have reverted to their respective status in the Actions as of August 3, 2005 and, except as otherwise expressly provided, the parties shall proceed in all respects as if this Stipulation had not been entered.

21. Best Efforts: The undersigned parties (a) acknowledge that it is their intent to consummate this Settlement; and (b) agree to exercise their best efforts and to act in good faith to cooperate to the extent necessary to effectuate and implement all terms and conditions of this Stipulation and to accomplish the foregoing terms and conditions of the Stipulation. The undersigned parties agree to cooperate with one another in seeking entry of the Preliminary

Approval Order and final approval of this Settlement of the Actions. The undersigned parties also agree promptly to negotiate, execute and/or provide such documentation as may be required to obtain preliminary and final approval of this Settlement. If the parties to this Stipulation of Settlement are unable to agree upon the form of documentation necessary to effectuate this Settlement and to obtain preliminary and final approval of the Settlement, the parties agree that: (y) they will mediate any unresolved disputes as to the form of documentation; and (z) if such mediation efforts fail, bring any such disputes to the attention of the Court.

22. Amendments: This Stipulation may be amended or modified only by a written instrument signed by, or on behalf of, all of the undersigned settling parties or their successors in interest.

23. Complete Agreement: This Stipulation and the Letter Agreement constitute the entire agreement among the undersigned settling parties and no representations, warranties or inducements have been made to any party concerning this Stipulation or the Letter Agreement, other than the representations, warranties, and covenants contained and memorialized in such documents.

24. Costs: Except as provided in Paragraph 15 herein, each party shall bear its own costs and expenses in connection with the prosecution and settlement of this litigation.

25. Execution: This Stipulation may be executed in one or more original, photocopied, or facsimile counterparts. All executed counterparts shall be deemed to be one and the same instrument.

26. Successors and Assigns: This Stipulation shall be binding upon, and inure to the benefit of, the successors, assigns, executors, administrators, heirs and legal representatives of

the undersigned settling parties, provided, however, that no assignment by any settling party shall operate to relieve such party of its obligations hereunder.

27. Governing Law: All terms of this Stipulation shall be governed and interpreted according to the laws of the State of New York without regard to its rules of conflicts of law.

28. Headings: The headings in this Stipulation are used for purposes of convenience and ease of reference only and are not meant to have any legal effect, nor are they intended to influence the construction of this Stipulation in any way.

29. Waiver of Breach: The waiver of one party of any breach of this Stipulation which affects such waiving party by any other party shall not be deemed a waiver of any other breach of this Stipulation. The provisions of this Stipulation may not be waived except by a writing signed by the affected party or counsel for that party.

30. Jurisdiction of Court: The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Stipulation, and all parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in this Stipulation.

31. Drafting of this Stipulation: This Stipulation is deemed to have been drafted by all parties hereto, as a result of arm's length negotiations among the undersigned settling parties. Whereas all undersigned settling parties have contributed to the preparation of this Stipulation, it shall not be construed more strictly against one party than another.

32. No Admission: Even if this Stipulation is canceled or terminated, neither this Stipulation nor the Settlement, nor any negotiation, act performed, document executed or proceedings held pursuant to or in furtherance of this Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of the validity of, any Released

Claim, or of any wrongdoing, violation or liability of the undersigned settling defendants, any Released Party, or of any fact alleged in the complaints filed in Actions; (b) is or may be deemed to be or may be used as an admission or, or evidence of, any infirmity in the claims asserted in the complaints in the Action; or (c) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the undersigned settling defendants or any other Released Party in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal, including in these Actions. This Stipulation and the Settlement may be used, however, in such proceedings as may be necessary to consummate or enforce this Stipulation, the Settlement or the Judgment, and the undersigned settling defendants may file this Stipulation and/or the Judgment in any action that may be brought against them or any Released Party in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion, issue preclusion or similar defense or counterclaim.

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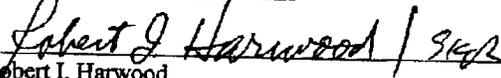
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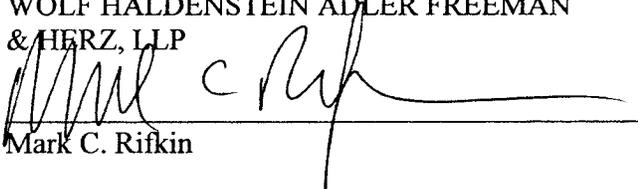
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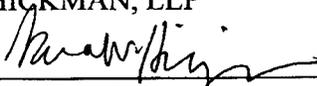
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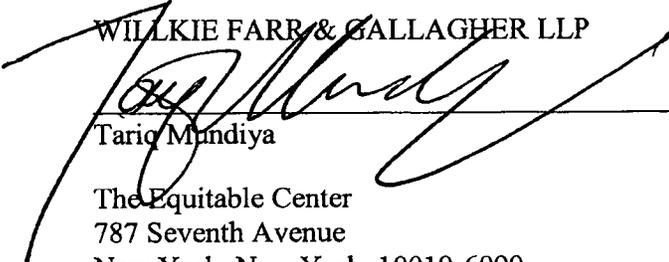
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