STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (the “Stipulation”), dated as of August 13, 2010, is made and entered into by and among Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd. (“Argent Bermuda”) and Argent Classic Convertible Arbitrage Fund, L.P. (“Argent Classic”) (Argent Bermuda and Argent Classic, collectively, “Argent” or “Plaintiffs”), on behalf of themselves and the other members of the Settlement Class,1 and National City Corporation (“National City” or the “Company”), Peter E. Raskind, David A. Daberko, Jeffrey D. Kelly, Thomas A. Richlovsky, Jon E. Barfield, James S. Broadhurst, Christopher M. Connor, Bernadine P. Healy, Allen H. Koranda, Michael B. McCallister, Paul A. Ormond, Gerald L. Shaheen, Jerry Sue Thornton and Morry Weiss (together, with Plaintiffs and National City, the “Parties”), by and through their undersigned counsel.

WHEREAS,

1 Capitalized terms not otherwise defined herein are defined in paragraph 1 below.
a. Plaintiff Argent Bermuda commenced the Action on December 23, 2008 against National City, Peter E. Raskind, David A. Daberko and Jeffrey D. Kelly, alleging violations of Sections 11 and 15 of the Securities Act of 1933 ("Securities Act") and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") on behalf of itself and all purchasers of the Notes from January 23, 2008 through September 30, 2008.

b. On October 8, 2009, Judge Solomon Oliver, Jr. appointed Argent Bermuda as Lead Plaintiff on behalf of the putative class of Notes purchasers, and Entwistle & Cappucci LLP as Lead Counsel.

c. On November 11, 2009, Plaintiffs Argent Bermuda and Argent Classic filed an amended complaint against National City, Peter E. Raskind, David A. Daberko, Jeffrey D. Kelly, Jon E. Barfield, James S. Broadhurst, Christopher M. Connor, Bernadine P. Healy, Allen H. Koranda, Michael B. McCallister, Paul A. Ormond, Gerald L. Shaheen, Jerry Sue Thornton and Morry Weiss asserting claims under Sections 11 and 15 of the Securities Act and under Sections 10(b) and 20(a) of the Exchange Act on behalf of all purchasers of the Notes between January 23, 2008 and September 26, 2008.

d. On January 11, 2010, Defendants moved to dismiss the amended complaint.

e. On February 11, 2010, Judge Oliver entered an order approving the parties’ joint motion allowing Plaintiffs voluntarily to withdraw their Exchange Act claims and to file an amended complaint.

Koranda, Michael B. McCallister, Paul A. Ormond, Gerald L. Shaheen, Jerry Sue Thornton and Morry Weiss, asserting only claims under Sections 11 and 15 of the Securities Act on behalf of themselves and all investors who purchased the Notes pursuant and/or traceable to the Registration Statement.


   h. In or about March 2010, the parties began to discuss the potential for settlement and the engagement of an independent mediator to pursue a potential settlement. The parties agreed upon a well-known, respected and experienced mediator, David Geronemus of JAMS. In the following months, the parties had several in person settlement meetings and additional discussions by telephone.

   i. On July 13 and 14, 2010, the parties engaged in a mediation with the assistance of Mr. Geronemus, at the conclusion of which the parties agreed to a settlement in principle of the Action.

   j. Defendants deny all charges of wrongdoing or liability with respect to each and all of the claims and contentions that were alleged or that could have been alleged by Lead Plaintiff and the Settlement Class Members, including but not limited to all contentions concerning Defendants’ conduct, as well as contentions that such conduct constitutes wrongdoing or gives rise to legal liability or has caused damage to Lead Plaintiff or the Settlement Class Members. Defendants deny any wrongdoing whatsoever and this Stipulation shall in no event be construed or be deemed to be evidence of or an admission or concession on the part of any Defendant with respect to any claim of any fault or liability or wrongdoing or
damage whatsoever, or any infirmity in the defenses that Defendants could have asserted. Defendants deny that they have committed any act or omission giving rise to any liability and/or violation of the law and state that they are entering into this Settlement to eliminate the burden and expense of further litigation.

k. Lead Counsel has conducted a thorough investigation related to the allegations of wrongdoing in this Action, the alleged damages suffered by the Settlement Class, and the potential defenses that could be asserted by each Defendant. In connection therewith, Lead Counsel reviewed numerous news reports, press releases, public records, and Securities and Exchange Commission filings related to the subject matter of this Action; researched the applicable law with respect to the claims; and consulted extensively with experts retained to advise on the issues of both recoverable damages and liability.

l. Based on its investigation and discovery, Lead Plaintiff and its counsel have concluded that the terms and conditions of the Settlement are fair, reasonable and adequate to members of the Settlement Class, and are in the best interests of the Settlement Class. Accordingly, the Lead Plaintiff has agreed to settle the claims pursuant to the terms and provisions of this Stipulation, after considering (a) the substantial benefits that the Lead Plaintiff and the other members of the Settlement Class will receive from the settlement of this Action, (b) the risks of continued litigation, especially in complex actions such as this Action, as well as the difficulties and delays inherent in such litigation, and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation.

NOW WHEREFORE, without any admission or concession on the part of Lead Plaintiff of any lack of merit of the Action whatsoever, and without any admission or concession of any liability or wrongdoing or lack of merit in their defenses whatsoever by Defendants, it is hereby
STIPULATED AND AGREED, by and among the Parties, through their respective attorneys, subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, in consideration of the mutual promises and benefits flowing to the Parties from the Settlement, that any and all Released Claims as against the Released Parties and all Released Defendants' Claims shall be fully, finally and forever compromised, settled, released and dismissed with prejudice, and without an assessment of costs against any party, upon and subject to the following terms and conditions:

CERTAIN DEFINITIONS

1. As used in this Stipulation, the following terms shall have the following meanings:


   b. “Authorized Claimant” means a Settlement Class Member who submits a timely and valid Proof of Claim form to the Claims Administrator.

   c. “Claims Administrator” means The Garden City Group, Inc. to administer the Notice and Settlement of this Action.


   e. “Court” means the United States District Court for the Northern District of Ohio.

g. “Defendants’ Counsel” means the law firm of Jones Day.

h. “Distribution Order” means the order approving the Claims Administrator’s administrative determinations concerning the acceptance and rejection of the claims submitted herein and approving any fees and expenses not previously applied for, including the fees and expenses of the Claims Administrator, determining that the Effective Date has occurred, and directing payment of the Net Settlement Fund to Authorized Claimants.

i. “Effective Date of Settlement” or “Effective Date” means the date upon which the Settlement contemplated by this Stipulation shall become effective, as set forth in paragraph 31 below.

j. “Escrow Account” means the interest-bearing bank account established and maintained by Lead Counsel as Escrow Agent, into which the Settlement Amount is to be deposited.

k. “Escrow Agent” means the law firm of Entwistle & Cappucci LLP.

l. “Fee and Expense Award” means an award of attorneys’ fees and reimbursement of expenses made by the Court pursuant to an application or applications to be filed by Lead Counsel for attorneys’ fees and reimbursement of expenses.

m. “Final Judgment” means the proposed order to be entered approving the Settlement substantially in the form attached hereto as Exhibit B.
n. “Gross Settlement Fund” means the sum of the Settlement Amount and all interest earned on the Settlement Amount.


p. “Lead Counsel” or “Plaintiffs’ Lead Counsel” means the law firm of Entwistle & Cappucci LLP.

q. “Lead Plaintiff” means Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd.

r. “National City” or the “Company” means National City Corporation and its subsidiaries and affiliates.

s. “Net Settlement Fund” means the balance of the Gross Settlement Fund available to be distributed to Authorized Claimants after the payments set forth in paragraph 9 below.

r. “Notes” mean the National City Corporation 4.0% Convertible Senior Notes due 2011 issued pursuant to the Registration Statement.

u. “Notice” means the Notice of Proposed Settlement of Class Action, which is to be sent to members of the Settlement Class substantially in the form attached hereto as Exhibit 1 to Exhibit A.

v. “Notice and Administration Costs” means the costs, fees and expenses that are incurred by the Claims Administrator and Lead Counsel in connection with (i) providing notice to the Settlement Class; and (ii) administering the claims process.
w. “Parties” mean Plaintiffs and Defendants.

x. “Plaintiffs” mean Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd. and Argent Classic Convertible Arbitrage Fund, L.P.

y. “Plan of Allocation” means the Plan of Allocation of Net Settlement Fund Among Settlement Class Members as set forth in the Notice or such other Plan of Allocation as the Court approves.

z. “Preliminary Approval Order” means the proposed order to be entered by the Court substantially in the form of Exhibit A attached hereto.

aa. “Proof of Claim” means the proposed Proof of Claim and Release form substantially in the form attached hereto as Exhibit 2 to Exhibit A.

bb. “Publication Notice” means the Summary Notice of Proposed Settlement of Class Action for publication substantially in the form attached hereto as Exhibit 3 to Exhibit A.

c. “Recognized Claim” means the amount of an Authorized Claimant’s loss that is determined by the Claims Administrator to be compensable under the Plan of Allocation.

dd. “Registration Statement” means the registration statement on Form S-3 filed by National City with the U.S. Securities and Exchange Commission on January 18, 2008 and the accompanying prospectus supplement declared effective as of January 23, 2008, for $1.25 billion of National City Corporation 4.0% Convertible Senior Notes due 2011.

e. “Released Claims” mean and include any and all claims, debts, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, matters and issues of any kind or nature whatsoever (including, but not limited to, any claims for interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, amounts or
liabilities whatsoever), whether based on United States federal, state or local statutory or common law or any other law, rule or regulation, whether foreign or domestic, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, whether class, individual or derivative in nature, including both known claims and Unknown Claims (as defined below) against any of the Released Parties (as defined below) (i) that have been asserted in the Action (whether pleaded in the Complaint or not), or (ii) that could have been asserted in the Action or in any other court, tribunal, proceeding, or forum by the Lead Plaintiff or the Settlement Class Members, or by their heirs, agents, executors, administrators, beneficiaries, predecessors, successors or assigns, or any of them, against any of the Released Parties that arise out of, relate to, or are based in whole or in part on the Registration Statement or Lead Plaintiff’s or the Settlement Class Members’ purchase or acquisition of the Notes; provided, however, that the Released Claims shall not include claims to enforce the Settlement contemplated by this Stipulation.

ff. “Released Defendants’ Claims” means and includes any and all claims, debts, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, matters and issues of any kind or nature whatsoever (including, but not limited to, any claims for interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, amounts or liabilities whatsoever), whether based on United States federal, state, local, statutory or common law, or any other law, rule or regulation, whether foreign or domestic, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, whether class or individual in nature, including both known claims and Unknown Claims (as defined below), that have been or could have been asserted in the Action or in any other court, tribunal, proceeding, or forum by any of the Defendants or the
heirs, executors, administrators, successors and assigns of any of them against the Lead Plaintiff, any of the Settlement Class Members, any of their attorneys, and their heirs, executors, administrators, successors and assigns, which arise out of or relate to or are based on the institution, prosecution, or settlement of the Action; provided, however, that the Released Defendants’ Claims shall not include claims to enforce the Settlement contemplated by this Stipulation.

gg. “Released Parties” mean the Defendants and any and all of their families, parent entities, associates, affiliates, predecessors, successors or subsidiaries and each and all of their respective past or present officers, directors, executives, partners, stockholders, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, auditors, investment bankers, commercial bankers, insurers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, predecessors, successors, assigns and any other representatives of any of these persons or entities.

hh. “Settlement” means the settlement contemplated by this Stipulation.

ii. “Settlement Amount” means $22.5 million in United States currency.

jj. “Settlement Class” and “Settlement Class Members” mean all persons or entities who purchased or otherwise acquired the Notes pursuant to and/or traceable to the Registration Statement from January 23, 2008 through December 23, 2008 and who were damaged thereby, including their legal representatives, heirs, successors or assigns, and any entity in which they have or had a controlling interest. Excluded from the Settlement Class are Defendants, members of their immediate families, and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest.
Also excluded from the Settlement Class are persons or entities who properly exclude themselves from the Settlement by filing a valid and timely request for exclusion.

kk. “Settlement Fund” means the fund established by the payment of the Settlement Amount.

ll. “Unknown Claims” mean claims that Lead Plaintiff, for itself and on behalf of the Settlement Class, and Defendants do not know or suspect to exist at the time of the release, which if known, might have affected the decision to enter into this release or to object or not object to the Settlement, and the Parties agree that Lead Plaintiff and Defendants shall have waived, and each member of the Settlement Class shall be deemed to waive, and shall waive and relinquish to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, or any other law, that governs or limits a person’s release of unknown claims; further that (i) Lead Plaintiff, for itself and on behalf of the Settlement Class, and Defendants shall be deemed to waive, and shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR;

(ii) Lead Plaintiff, for itself and on behalf of the Settlement Class, and Defendants also shall be deemed to waive any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, or any other law, that is similar, comparable or equivalent to Section 1542 of the California Civil Code; and (iii) Lead Plaintiff,
for itself and on behalf of the Settlement Class, and Defendants acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this release, but that it is their intention, as Lead Plaintiff, for itself and on behalf of the Settlement Class, and Defendants to fully, finally and forever settle and release any and all claims released hereby, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or existence of such additional or different facts.

SCOPE AND EFFECT OF SETTLEMENT

2. The Parties intend and acknowledge that this Stipulation is a binding and enforceable contract, and intend that, subject to Court approval following issuance of a Notice, as required by Fed. R. Civ. P. 23, this Stipulation will lead to a final resolution of the Action on the basis of the terms set forth herein. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Action and of any and all Released Claims as against all Released Parties and of any and all Released Defendants’ Claims.

3. (a) Upon the Effective Date of the Settlement, and without any further action, notice, condition or event, the Lead Plaintiff shall dismiss the Action with prejudice, and without an assessment of costs against any party, and the Lead Plaintiff and Settlement Class Members on behalf of themselves, their heirs, executors, administrators, successors and assigns, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged shall, with respect to any and all Released Claims, fully, finally and forever release, extinguish, relinquish and discharge, and shall forever be enjoined from initiating, instigating, commencing, maintaining or prosecuting, any and all Released Claims against any and all of the Released Parties, whether or not such Settlement Class Members have executed and delivered a Proof of Claim, participated in the Settlement, filed an objection to the Settlement, the Proposed Plan of
Allocation, or any application by Lead Counsel for an award of attorneys’ fees and expenses, and whether or not the claims of such Settlement Class Members have been approved or allowed. Nothing contained herein shall, however, bar any action or claim to enforce the terms of this Stipulation or the Final Judgment.

(b) Upon the Effective Date of the Settlement, and without any further action, the Defendants or the heirs, executors, administrators, successors and assigns of any of them, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged shall, with respect to any and all Released Defendants’ Claims, fully, finally and forever release, extinguish, relinquish and discharge any and all Released Defendants’ Claims, and shall forever be enjoined from initiating, instigating, commencing, maintaining or prosecuting any and all Released Defendants’ Claims against any and all of the Lead Plaintiff, Settlement Class Members, any of their attorneys, and their heirs, executors, administrators, successors and assigns. Nothing contained herein shall, however, bar any action or claim to enforce the terms of this Stipulation or the Final Judgment.

4. Upon execution of this Stipulation, the initiation, instigation, commencement, maintenance or prosecution of any litigation regarding any of the Released Claims by any Settlement Class Member pending approval of the Settlement by the Court is prohibited, and the Preliminary Approval Order shall provide that the initiation, instigation, commencement, maintenance or prosecution of any such litigation is enjoined. Upon the Effective Date of this Settlement, the Released Parties shall obtain bar order protection substantially in the form appearing in the Order and Final Judgment annexed hereto as Exhibit B.

5. If any Released Claims are asserted against any of the Released Parties in any court or tribunal prior to the Effective Date of this Settlement, Lead Plaintiff and Lead Counsel
shall join, if requested by any Defendant, in any motion to dismiss or stay such proceedings and otherwise shall use their best efforts to cooperate with Defendants to effect a withdrawal or dismissal of such claims.

**CLASS CERTIFICATION**

6. Defendants shall consent, for purposes of this Settlement only, to certification of a Settlement Class, as defined above, pursuant to Federal Rule of Civil Procedure 23(b)(3), the appointment of Lead Plaintiff Argent Bermuda and Plaintiff Argent Classic as the Class Representatives and the appointment of Lead Counsel as Class Counsel.

7. Nothing in this Stipulation or the Preliminary Approval Order or the Final Judgment or any of the proceedings had in connection with the Settlement shall be taken as an admission or concession that the Settlement Class or any other class could properly be certified if this Action were not settled. The Parties agree that, in the event the Settlement is terminated or the Effective Date does not occur for any reason, the Settlement Class shall be decertified and neither this Stipulation nor the Preliminary Approval Order nor the Final Judgment nor any of the proceedings had in connection with the Settlement shall be referred to or offered into evidence to support any argument or contention that a class could or should be certified in the Action.

**THE SETTLEMENT CONSIDERATION**

8. National City or its successor shall pay or cause to be paid to the Settlement Class in settlement of the claims in this Action, the sum of $22,500,000, which shall be deposited into an interest-bearing account designated by Lead Counsel (the “Settlement Fund Account”) within fifteen (15) days after the Court enters an order preliminarily approving the Settlement. Before the Settlement Amount is paid, Lead Counsel must provide to Defendants’ Counsel (i) written notification of the date of the establishment of the Settlement Fund Account, (ii) written
notification of the following information regarding the Settlement Fund Account: bank name, bank address, ABA number, account number, account name and taxpayer identification number, and (iii) any additional information needed to deposit the Settlement Amount into the Settlement Fund Account. In no event shall Defendants be required to pay any amount other than the Settlement Amount in connection with any aspect of this Settlement, including without limitation payments for Lead Plaintiffs’ attorneys’ fees or expenses or for expenses associated with administration of the Settlement.

9. The Gross Settlement Fund shall be used to pay (i) any Taxes (as defined below) on the income earned by the Settlement Fund; (ii) the Notice and Administration Costs; and (iii) the Fee and Expense Award. The balance of the Gross Settlement Fund after the above payments shall be the “Net Settlement Fund” that shall be distributed to the Authorized Claimants as provided below.

10. Any sums required to be held in escrow prior to the Effective Date shall be held by Lead Counsel as Escrow Agent for the Settlement Fund. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned to persons paying the same pursuant to this Stipulation and/or further order of the Court. All monies in the Settlement Fund shall be invested in United States Treasury Securities (or a mutual fund invested solely in such instruments) and accrued interest thereon shall be similarly reinvested, except that any residual cash balances of less than $100,000 may be invested in money market funds comprised exclusively of investments secured by the full faith and credit of the United States. The Escrow Agent shall not disburse the contents of the Escrow Account except as provided for in this Stipulation or an Order of the Court. Subject to such further Order and/or direction as may be
made by the Court, the Escrow Agent is authorized to execute such transactions on behalf of the members of the Settlement Class as are provided for in this Stipulation. The Escrow Agent shall not be responsible for the payment of any sums due except to the extent of maintaining an account of and appropriately paying sums as required by this Stipulation, but only to the limited extent such sums are delivered into the Escrow Account. The assumption of duties as Escrow Agent shall not preclude the Escrow Agent from continuing to represent, as the case may be, the Lead Plaintiff or Settlement Class Members. The Escrow Agent may relieve itself of the duties provided herein, absent agreement of the Parties to this Stipulation, by interpleading the sums then held by it.

11. The Settlement Fund shall be structured and managed by Lead Plaintiff to qualify as a Qualified Settlement Fund under Section 468B of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder and provide reports to Lead Counsel for tax purposes. The parties shall not take a position in any filing or before any tax authority inconsistent with such treatment. The Claims Administrator as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3) shall be responsible for filing tax returns for the Settlement Fund and for paying from the Settlement Fund any Taxes, and any indemnification of Defendants for Taxes, owed with respect to the Settlement Fund. All taxes on the income of the Qualified Settlement Fund and tax-related expenses incurred in connection with the taxation of the Qualified Settlement Fund, and any indemnification of Defendants for taxes or tax-related expenses so incurred (collectively, “Taxes”), shall be the responsibility of the Claims Administrator and shall be paid out of the Qualified Settlement Fund. Without limiting the foregoing, from the Settlement Fund, the Claims Administrator shall reimburse the Company within 10 days of written demand for any
such Taxes to the extent they are imposed on the Company for a period during which the Settlement Fund does not qualify as a “Qualified Settlement Fund.” Defendants’ Counsel shall provide promptly to the Claims Administrator the statement described in Treasury Regulation § 1.468 B-3(e). The Claims Administrator shall, at the Company’s request, join with the Company in timely making the “relation-back” election permitted under the Section 468B Treasury regulations in the form prescribed therein, and shall obtain and provide the Company with the Settlement Fund’s federal taxpayer identification number on or before the date that the Company transfers funds to the Settlement Fund. Lead Counsel shall have signature authority over the Settlement Fund Account, and shall direct the financial institution to pay from the Settlement Fund Account the following reasonable costs of administering the Settlement Fund without further order of the Court, which expenses shall include: (i) expenses associated with the preparation and filing of all tax reports and tax returns required to be filed by the Settlement Fund; (ii) payment of any Taxes owed by the Settlement Fund; and (iii) expenses associated with the preparation and issuance of any required Forms 1099 associated with payments from the Settlement Fund. Lead Counsel may instruct the financial institution to reserve any portion of the Settlement Fund for the purpose of satisfying future or contingent expenses or obligations, including expenses of Settlement Fund administration or any disbursement provided under the terms of this Settlement Agreement. The Defendants take no position, directly or indirectly, with respect to such matters. The Parties acknowledge and agree that the Defendants shall have no authority, control, or liability in connection with the design, management, administration, investment, maintenance, or control of the Settlement Fund, or for any expenses the Settlement Fund may incur or for any Taxes that may be payable by the Settlement Fund or any distributee therefrom.
ADMINISTRATION EXPENSES

12. Prior to the Effective Date, Lead Counsel may expend from the Gross Settlement Fund, without further approval from Defendants or the Court, up to $300,000 to pay the reasonable and actual costs and expenses associated with the administration of the Settlement, including without limitation, the costs of identifying members of the Settlement Class and effecting mail Notice and Publication Notice. Such amounts shall include, without limitation, the actual costs of publishing, printing and mailing the Notice, publishing the Publication Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, and the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing the Notice and processing the submitted claims.

13. In the event the Settlement does not become effective (i.e., the Effective Date does not occur for any reason or the Settlement is terminated pursuant to the termination provisions of this Stipulation), the Settlement Amount (including any fees and costs that previously may have been awarded to Lead Counsel) plus accrued interest in the Escrow Account, less any out-of-pocket Notice and Administration Costs incurred up to $300,000 or such further amount as shall have been approved by Defendants or the Court, and less any Taxes paid or payable on the Settlement Fund (including any costs and expenses of tax attorneys and accountants), shall revert and be repaid to National City or its successor within thirty (30) days after the termination of the Settlement. National City or its successor shall be responsible for allocating such payment to any relevant insurers who paid the Settlement Amount in accordance with their respective contributions to payment of the Settlement Amount.
ADMINISTRATION AND ALLOCATION OF SETTLEMENT AMOUNTS TO AUTHORIZED CLAIMANTS

14. National City or its successor shall provide or cause to be provided to the Claims Administrator at no cost to Lead Plaintiff, the Settlement Class or Lead Counsel, the names and addresses of all persons who held the Notes of record and who acquired the Notes from January 23, 2008 through December 23, 2008, as set forth on the books and records maintained by, or on behalf of, National City or its successor. Defendants shall have no other role or responsibility for administration of the Settlement or for reviewing, approving or challenging claims submitted.

15. The Claims Administrator shall determine each Authorized Claimant’s pro rata share of the Net Settlement Fund based upon each Authorized Claimant’s Recognized Loss (as defined in the Plan of Allocation or in such other Plan of Allocation as the Court approves).

16. The Plan of Allocation proposed in the Notice is not a necessary term of this Stipulation or this Settlement, and it is not a condition of the Stipulation or this Settlement that that Plan of Allocation be approved. Defendants will not have any responsibility for, or any involvement with, the Plan of Allocation, and will take no position with respect to the Plan of Allocation or such other plan as may be approved by the Court.

17. The Claims Administrator shall administer the Settlement under Lead Counsel’s supervision and subject to the jurisdiction of the Court. Defendants and Defendants’ Counsel shall have no role in or responsibility for administering the Settlement, or reviewing, approving or challenging claims submitted, and shall have no liability whatsoever to any person or entity including, but not limited to, the Settlement Class Members or Lead Counsel in connection with such administration. The administration of the Settlement includes the investment, allocation and distribution of the Settlement Fund, the determination, calculation, processing, or payment of claims, the review and approval or rejection of Proofs of Claim, the Plan of Allocation, and the
determination, payment or withholding of Taxes or any loss incurred in connection therewith, and no person or entity, including but not limited to the Settlement Class Members, Lead Plaintiff and Lead Counsel, shall have any claims against Defendants, Defendants’ Counsel or the Released Parties in connection therewith. Defendants and Defendants’ Counsel shall cooperate in the implementation of the Settlement to the extent reasonably necessary to effectuate its terms.

18. Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Except for their obligation to pay the Settlement Amount, Defendants shall have no liability, obligation or responsibility for the disbursement of the Net Settlement Fund. This is not a claims-made settlement. If the Settlement is approved and the Effective Date occurs, then as of the Effective Date neither Defendants nor any insurer contributing to the Settlement Amount shall have any right or interest in the Settlement Amount, the Settlement Fund, or the interest accrued thereon. Lead Counsel shall have the right, but not the obligation, to waive what they deem to be technical defects in any Proof of Claim submitted in the interest of achieving substantial justice.

19. For purposes of determining the extent, if any, to which a Settlement Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

a. Each Settlement Class Member shall be required to submit a Proof of Claim (substantially in the form attached hereto as Exhibit 2 to Exhibit A), supported by such documents as are designated therein, including proof of the claimant’s loss, or such other documents or proof as Plaintiffs’ Lead Counsel, in their discretion, may deem acceptable;
b. All Proofs of Claim must be submitted to the Claims Administrator by the
date specified in the Notice unless such period is extended by Order of the Court. Any
Settlement Class Member who fails to submit a valid Proof of Claim to the Claims Administrator
by such date shall be forever barred from receiving any payment pursuant to this Stipulation
(unless, by Order of the Court, a later submitted Proof of Claim by such Class Member is
approved), but shall in all other respects be bound by all of the terms of this Stipulation and the
Settlement including the terms of the Final Judgment and the releases provided for therein, and
will be barred from bringing any action against any of the Released Parties concerning the
Released Claims, whether or not such Settlement Class Member has filed an objection to the
Settlement, the proposed Plan of Allocation, or any application by Lead Counsel for a Fee and
Expense Award. Provided that it is actually received no later than twenty-one (21) days after the
final date for submission of Proofs of Claim, a Proof of Claim shall be deemed to have been
submitted when posted, if received with a postmark indicated on the envelope and if mailed first-
class postage prepaid and addressed in accordance with the instructions thereon. In all other
cases, the Proof of Claim shall be deemed to have been submitted when actually received by the
Claims Administrator;

c. Each Proof of Claim shall be submitted to and reviewed by the Claims
Administrator, under the supervision of Lead Counsel, who shall determine in accordance with
this Stipulation the extent, if any, to which each claim will be allowed, subject to review by the
Court pursuant to subparagraph e below;

d. Each Proof of Claim that does not meet the filing requirements may be
rejected. Prior to rejecting a Proof of Claim, the Claims Administrator shall communicate with
the claimant to afford the claimant the opportunity to remedy any curable deficiencies in the
Proof of Claim. The Claims Administrator, under supervision of Lead Counsel, shall notify, in a timely fashion and in writing, all claimants whose Proofs of Claim they propose to reject in whole or in part, setting forth the reasons for the proposed rejection, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to review by the Court if the claimant so desires and complies with the requirements of subparagraph e below;

   e. If any claimant whose claim has been rejected in whole or in part desires to contest such rejection, the claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph d above, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant’s grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court for a final determination; and

   f. The administrative determinations of the Claims Administrator accepting and rejecting claims shall be presented to the Court, on notice to Defendants’ Counsel, for approval by the Court in the Distribution Order.

   20. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant’s claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant’s status as a Settlement Class Member and the validity and amount of the claimant’s claim. No discovery shall be allowed on the merits of the Action or the Settlement.

   21. Payment pursuant to this Stipulation and the Plan of Allocation (or such other plan that may be approved by the Court) shall be final and conclusive against all Authorized
Claimants. All Settlement Class Members whose claims are not approved by the Court or who fail to submit a timely and valid claim shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Final Judgment to be entered in the Action and the releases provided for therein, and will be barred from bringing any action against any of the Released Parties concerning the Released Claims whether or not such Settlement Class Member has filed an objection to the Settlement, the proposed Plan of Allocation, or any application by Lead Counsel for a Fee and Expense Award.

22. Lead Counsel will apply to the Court, on notice to Defendants' Counsel, for a Class Distribution Order approving the Claims Administrator's determinations concerning the acceptance and rejection of claims, approving any fees and expenses not previously applied for (including the fees and expenses of the Claims Administrator), and directing payment of the Net Settlement Fund to Authorized Claimants.

23. All Settlement Class Members shall be bound by all the terms of this Stipulation and the Settlement including the terms of the Final Judgment entered in the Action and the releases provided for therein, and will be barred from bringing any action against any of the Released Parties concerning the Released Claims whether or not such Settlement Class Members participated in the Net Settlement Fund, and whether or not the claims of such Settlement Class Members have been approved or allowed.

24. All proceedings with respect to the administration, processing and determination of claims described in this Stipulation and the determination of all disputes relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.
25. The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date and after: (i) all claims have been processed and all claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; (ii) all objections with respect to all rejected or disallowed claims not otherwise resolved have been resolved and all appeals therefrom have been resolved or the time therefor has expired; (iii) all matters with respect to attorneys' fees, costs and disbursements have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired; and (iv) all costs of administration and Taxes on the Settlement Fund have been paid.

ATTORNEYS' FEES AND EXPENSES

26. Lead Counsel will apply to the Court for a Fee and Expense Award. The Fee and Expense Award shall be paid from the Settlement Fund to Lead Counsel, as ordered, promptly after both (i) the Court has entered the Final Judgment substantially in the form attached hereto as Exhibit B, and (ii) the Court has entered an order making a Fee and Expense Award. In the event that the Effective Date does not occur or the Final Judgment or the Fee and Expense Award is reversed or modified in a material respect or the Stipulation is cancelled or terminated for any other reason, and in the event that the Fee and Expense Award has been paid to any extent, then Lead Counsel and each of their partners, shareholders and/or members shall be jointly and severally obligated to refund the fees, expenses and costs previously paid from the Settlement Fund in an amount consistent with such reversal or modification, within seven (7) days after receiving notice from Defendants' Counsel or from a court of appropriate jurisdiction.

27. The award of attorneys' fees, expenses and costs is not a necessary term of this Stipulation and it is not a condition of this Stipulation that Plaintiffs' Lead Counsel's petition for a Fee and Expense Award be approved by the Court. Such award is a matter separate and apart
from the proposed Settlement and any decision by the Court regarding the fairness, reasonableness and adequacy of the Settlement set forth in this Stipulation. Any order or proceedings relating to the application for a Fee and Expense Award, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Stipulation or affect or delay the finality of the Final Judgment approving this Stipulation.

28. Defendants will take no position with respect to Lead Counsel’s application for attorneys’ fees and reimbursement of expenses if such request for fees is no more than twenty-two and one half percent (22.5%) of the Settlement Fund. Except as provided for in this paragraph and paragraph 26 above, Defendants shall have no obligation to pay or reimburse any fees, expenses, costs, or damages alleged or incurred by Lead Plaintiff, by any member of the Settlement Class, or by any of their attorneys, experts, advisors, agents or representatives with respect to the claims settled herein.

ORDER FOR PRELIMINARY APPROVAL OF SETTLEMENT

29. Promptly after this Stipulation has been fully executed, Lead Counsel and Defendants’ Counsel jointly shall apply to the Court for entry of a Preliminary Approval Order, substantially in the form attached hereto as Exhibit A. Lead Counsel and Defendants shall jointly request that the postmark deadline for objecting and/or submitting exclusions from this Settlement be set at least 21 calendar days prior to the Settlement Fairness Hearing. Upon receiving any objection(s) and/or request(s) for exclusion pursuant to the Notice, the Claims Administrator shall promptly notify Lead Counsel and Defendants’ Counsel of such objection(s) and/or request(s) for exclusion.
FINAL JUDGMENT

30. If the Settlement contemplated by this Stipulation is approved by the Court, Lead
Counsel and Defendants’ Counsel shall request that the Court enter the Final Judgment,
substantially in the form attached hereto as Exhibit B.

EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION

31. The Effective Date of Settlement shall be the first day following the date on
which all of the following have occurred:

a. The entire Settlement Amount has been paid into the Escrow Account
described herein;

b. The Preliminary Approval Order (in all material respects in the form
attached hereto as Exhibit A) has been entered by the Court;

c. The Court has approved the Settlement;

d. The Court has entered the Final Judgment, in all material respects in the
form attached hereto as Exhibit B, and any time for reconsideration, rehearing, appeal or review,
by writ of certiorari or otherwise, of so much of the Final Judgment as approves the fairness,
reasonableness and adequacy of the Settlement has expired or, if any such appeal is filed and not
dismissed, the approval of the fairness, reasonableness and adequacy of the Settlement has been
upheld on appeal in all material respects and is no longer subject to reconsideration, rehearing or
review upon appeal, by writ of certiorari or otherwise, 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 Parties elects to terminate this Settlement on the basis of such Alternative Judgment,
as set forth below, the date that so much of the Alternative Judgment as approves the fairness,
reasonableness and adequacy of the Settlement has become final and no longer subject to
reconsideration, rehearing, appeal or review, by certiorari or otherwise.
32. The Effective Date shall not be delayed by any modification of or reconsideration, 
rehearing, appeal or review of those parts of the Final Judgment that pertain to the Plan of 
Allocation or the award of attorneys’ fees and expenses.

33. Defendants or Plaintiffs shall have the right to terminate the Settlement and this 
Stipulation by providing written notice of their election to do so (“Termination Notice”) to all 
other Parties within thirty (30) days of (i) the Court’s declining to enter the Preliminary Approval 
Order in any material respect; (ii) the Court’s refusal to approve this Stipulation or any material 
part of it; (iii) the Court’s declining to enter the Final Judgment in any material respect (other 
than with respect to those parts that pertain to the Plan of Allocation or the award of attorneys’ 
fees and expenses); (iv) the date upon which the Final Judgment is modified or reversed in any 
material respect by the United States Court of Appeals or the United States Supreme Court (other 
than with respect to those parts that pertain to the Plan of Allocation or the award of attorneys’ 
fees and expenses); or (v) the date upon which an Alternative Judgment is modified or reversed 
in any material respect by the United States Court of Appeals or the United States Supreme 
Court (other than with respect to those parts that pertain to the Plan of Allocation, or the award 
of attorneys’ fees and expenses).

34. Simultaneously herewith, Lead Counsel and Defendants’ Counsel are executing a 
“Supplemental Agreement” setting forth certain conditions under which this Stipulation may be 
terminated by Defendants in the event that investors who timely and validly request exclusion 
from the Settlement Class (excluding Defendants, officers and directors of National City and its 
subsidiaries, members of their immediate families and their legal representatives, heirs, 
predecessors, successors and assigns, and any entity in which any of the foregoing has a 
controlling interest) sustained Recognized Losses in aggregate greater than an amount set forth
in the Supplemental Stipulation. Notwithstanding anything herein to the contrary, Defendants shall have, in their sole and absolute discretion, the option to terminate this Stipulation in accordance with the procedures set forth in the Supplemental Stipulation.

35. Except as otherwise provided herein, in the event the Settlement is terminated or the Effective Date does not occur for any reason, then the Parties to this Stipulation shall be deemed to have reverted to their respective status in the Action as of the date and time immediately prior to the execution of this Stipulation and, except as otherwise expressly provided, the Parties shall proceed in all respects as if this Stipulation and any related orders had not been entered, and the Settlement Amount (including any fees and costs that previously may have been awarded to Lead Counsel) plus accrued interest in the Escrow Account, less any out-of-pocket Notice and Administration Costs incurred up to $300,000 or such further amount as shall have been approved by Defendants or the Court, and less any Taxes paid or payable on the Settlement Fund (including any costs and expenses of tax attorneys and accountants), shall revert and be repaid to National City or its successor within thirty (30) days after the termination of the Settlement. National City or its successor shall be responsible for allocating such payment to any relevant insurers who paid the Settlement Amount in accordance with their respective contributions to payment of the Settlement Amount.

**NO ADMISSION OF WRONGDOING**

36. Whether or not the Effective Date occurs, this Stipulation and any proceedings taken pursuant to it:

  a. Shall not be offered or received against any Defendant or Released Party as evidence of or be construed as or deemed to be evidence of any presumption, concession or admission by any Defendant or Released Party of the truth of any fact alleged by Plaintiffs or the validity of any claim that has been or that could have been asserted in the Action or in any
litigation, or the deficiency of any defense that has been or that could have been asserted in the Action or in any litigation, or of any liability, negligence, fault, or wrongdoing of any Defendant or Released Party;

b. Shall not be offered or received against any Defendant or Released Party as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant or Released Party;

c. Shall not be offered or received against any Defendant or Released Party as evidence of a presumption, concession or admission of any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Parties or any Released Party in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation, provided however, that any Defendant or Released Party may refer to this Stipulation to effectuate the liability protection granted hereunder, including, without limitation, to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, judgment, bar or reduction, or any other theory of claim or issue preclusion or similar defense or counterclaim;

d. Shall not be offered or received against any Defendant or Released Party in support of any argument that a class should be certified for purposes of any claim;

e. Shall not be offered or received against Lead Plaintiff or the Settlement Class Members as evidence of any infirmity in the claims of Lead Plaintiff and the Settlement Class Members;

f. Shall not be construed against Defendants or Released Parties or Lead Plaintiff or the Settlement Class Members as an admission or concession that the consideration to
be given hereunder represents the amount which could be or would have been recovered after trial; and

  g. Shall not be construed as or received in evidence as an admission, concession or presumption against Lead Plaintiff or the Settlement Class Members or any of them that any of their claims are without merit or that damages recoverable under the Complaint would not have exceeded the Settlement Amount.

**MISCELLANEOUS PROVISIONS**

37. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

38. The Parties intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by the Lead Plaintiff and Settlement Class Members against the Released Parties with respect to the Released Claims. Accordingly, Lead Plaintiff and Defendants agree not to assert that this Action was brought or defended in bad faith or without a reasonable basis. The Parties agree that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure. Lead Plaintiff, Defendants, and their respective counsel shall not make any applications for sanctions pursuant to Rule 11 or other court rule or statute relating to the prosecution or defense of the Action. The Parties agree that the amount paid and the other terms of the Settlement were negotiated at arms’ length in good faith by the Parties with the assistance of an experienced and independent mediator, and reflect a Settlement that was reached voluntarily after consultation with experienced legal counsel.

39. Upon the Effective Date of the Settlement, Lead Counsel, at their option, shall either destroy, or return to counsel for Defendants (at Defendants’ expense), all documents or other materials produced by Defendants in the possession of Lead Counsel, except for those
documents which are exhibits to any pleadings or other matters of public record. Lead Counsel shall certify in writing to Defendants’ Counsel that all such documents have either been destroyed or returned. Notwithstanding the foregoing, the Confidentiality Agreement entered into by the Parties shall remain in effect.

40. This Stipulation may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Parties or their successors-in-interest.

41. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

42. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court and the Court shall retain continuing and exclusive jurisdiction for the purpose of entering orders providing for a Fee and Expense Award and enforcing the terms of this Stipulation.

43. The Parties hereby irrevocably submit to the continuing and exclusive jurisdiction of the Court for any suit, action, proceeding or dispute arising out of or relating to this Settlement as embodied in this Stipulation or its applicability and agree that they will not oppose the designation of such suit, action, proceeding or dispute as a related case to this Action.

44. The waiver by one party of any term or condition of this Stipulation shall not be deemed a waiver of any other prior or subsequent term or condition of this Stipulation.

45. This Stipulation and its exhibits constitute the entire agreement among the Parties concerning the Settlement of the Action, and no representations, warranties, payments or inducements have been made by any party hereto concerning this Stipulation and its exhibits other than those contained and memorialized in such documents. The Parties are voluntarily entering into this Stipulation as a result of arms’ length negotiations among Lead Counsel and
counsel for Defendants, with the assistance of the mediator, David Geronemus of JAMS. In executing this Stipulation, the Parties are relying solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently selected counsel, concerning the nature, extent and duration of their rights and claims hereunder and regarding all matters which relate in any way to the subject matter hereof. The Parties have not been influenced to any extent whatsoever in executing this Stipulation by any representations, statements or omissions pertaining to any of the foregoing matters by any party or by any person representing any party to this Stipulation. Each of the Parties assumes the risk of mistake as to facts or law.

46. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties shall exchange among themselves original signed counterparts.

47. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

48. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the internal laws of the State of Ohio without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

49. This Stipulation shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arms’ length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Stipulation.
50. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related settlement documents, warrant and represent that they have the full authority to do so, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

51. Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order, the Stipulation and the Settlement, and to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement.