Office of the Chicago City Clerk

O2011-9717

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	12/14/2011
Sponsor(s):	Mendoza, Susana A. (Clerk)
Type:	Ordinance
Title:	*Zoning Reclassification App No. 17387*
Committee(s) Assignment:	Committee on Zoning, Landmarks and Building Standards

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the RS-3 Residential Single-Unit (Detached Houses) District symbols and indications as shown on Map No. 7-J in the area bound by:

> North Dawson Avenue. North Kimball Avenue. The 12 foot public alley southwest of the intersection of North Dawson Avenue and North Kimball Avenue. Running in a northwesterly direction to North Dawson Avenue.

to those of a B1-1 Neighborhood Shopping District, and a corresponding use district is hereby established in the area above described.

SECTION 2. This ordinance shall be in force and effect from and after its passage and due publication.

#17387
IN+DATE:
12-14-11

CITY OF CHICAGO

APPLICATION FOR AN AMENDMENT TO
THE CHICAGO ZONING ORDINANCE

1. ADDRESS of the property Applicant is seeking to rezone:
2816 North Kimball Avenue Chicago, IL 60647

2. Ward Number that property is located in: 35th Ward

3. APPLICANT Clark Street Development, LLC

ADDRESS 980 North Michigan Ave. #980 CITY Chicago

STATE IL ZIP CODE 60611 PHONE 312-377-9100

EMAIL ____ CONTACT PERSON Andy Stein

4. Is the applicant the owner of the property? YES ____ NO x
If the applicant is not the owner of the property, please provide the following information regarding the owner and attach written authorization from the owner allowing the application to proceed.

OWNER FirstMerit Bank, N.A.

ADDRESS III Cascasde Plaza, CAS 81 CITY Akron

STATE OH ZIP CODE 44308 PHONE 330-384-7233

EMAIL 330-384-7133 CONTACT PERSON Bob L'Esperance

5. If the Applicant/Owner of the property has obtained a lawyer as their representative for the rezoning, please provide the following information:

ATTORNEY Katriina McGuire/Schain Burney Banks & Kenny, Ltd.

ADDRESS 70 West Madison, #4500

CITY Chicago STATE IL ZIP CODE 60602

PHONE 312-345-5700 FAX 312-345-5701 EMAIL kmcguire@sbbklaw.com

6. If the applicant is a legal entity (Corporation, LLC, Partnership, etc.) please provide the names of all owners as disclosed on the Economic Disclosure Statements.
Managers: Richard Hulina and E. Thomas Collins
Members:Collins Family Limited Partnership,
Hulina Family Limited Partnership, Fritz L. Duda Jr.,
John Collins, Peter Eisenberg, James Kirtzweil and
Andy Stein

7. On what date did the owner acquire legal title to the subject property? April 5, 2010

8. Has the present owner previously rezoned this property? If yes, when?
No

9. Present Zoning District RS-3 Proposed Zoning District B1-1

10. Lot size in square feet (or dimensions) 30,108 square feet

11. Current Use of the property Vacant

12. Reason for rezoning the property Develop property for medical service building.

13. Describe the proposed use of the property after the rezoning. Indicate the number of dwelling units; number of parking spaces; approximate square footage of any commercial space; and height of the proposed building. (BE SPECIFIC)
Applicant will construct a 9100 square foot single level building to be used as a dialysis center. There will be an attached parking lot containing 32 parking spaces.

14. On May 14th, 2007, the Chicago City Council passed the Affordable Requirements Ordinance (ARO) that requires on-site affordable housing units or a financial contribution if residential housing projects receive a zoning change under certain circumstances. Based on the lot size of the project in question and the proposed zoning classification, is this project subject to the Affordable Requirements Ordinance? (See Fact Sheet for more information)

YES ______ NO x

COUNTY OF COOK
STATE OF ILLINOIS

Andrew Stein, being first duly sworn on oath, states that all of the above statements and the statements contained in the documents submitted herewith are true and correct.

Signature of Applicant

Subscribed and Sworn to before me this
11th day of November, 2011.

OFFICIAL SEAL
ANEL MEDINA
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4-14-2013

Notary Public

For Office Use Only

Date of Introduction: ______

File Number: ______

Ward: ______

December 7, 2011

Ms. Patricia Scuderio
Zoning Administrator
Room 900 - City Hall
Chicago, Illinois 60602

Dear Ms. Scuderio:

The undersigned, Katriina S. McGuire, being first duly sworn on oath, deposes and says the following:

That the undersigned certifies that she has complied with the requirements of Section 17-13-0107-A of the Chicago Zoning Ordinance, by serving written notice via United States Postal Service first class mail on the owners of all property within 250 feet in each direction of the lot lines of the subject property located at 2816 North Kimball Avenue, that the notice contained the address of the location for which the zoning amendment is requested, a brief statement of the nature of the zoning amendment, the name and address of the owner and applicant of the subject property, a statement that the applicant intends to file a zoning amendment on approximately December 7, 2011; that the applicant has made a bona fide effort to determine the addresses of parties to be notified under the above ordinance; that the applicant certifies that the accompanying list of names and addresses of surrounding property owners within 250 feet is a complete list containing the names and last known addresses of the owners of the property required to be served and that the applicant has furnished in addition to a list of the last known owners and addresses, a list of the method of service (United States Postal Service first class mail).

Katriina S. McGuire,
Attorney for Applicant and
Contract Purchaser

Subscribed and Sworn to before me
this 7th day of December, 2011

Pamela F. Walker
Notary Public

OFFICIAL SEAL
PAMELA F. WALKER
Notary Public - State of Illinois
My Commission Expires Sep 09, 2015

December 7, 2011

Dear Sir/Madam:

In accordance with the Amendment to the Zoning Code enacted by the City Council, Section 17-13-0107-A of the Chicago Zoning Ordinance please be advised that on or about December 7, 2011, I, the undersigned, will file an application for a zoning amendment to the property located at 2816 N. Kimball Avenue.

The purpose of the zoning amendment is to change the zoning from RS-3 to B1-1 to allow a medical service building with an attached parking lot for 26 spaces.

The applicant is Clark Street Development, LLC located at 980 North Michigan Avenue, Suite #1280 Chicago, IL 60611.

The owner of the subject property is FirstMerit Bank, N.A. located at III Cascade Plaza, CAS 81 Akron OH 44308. Clark Street Development, LLC is the Contract Purchaser of the subject property.

I am the duly authorized attorney for the applicant. My address is 70 West Madison, Suite 4500 Chicago, Illinois 60602. My phone number is (312) 345-5700.

PLEASE NOTE THAT THE APPLICANT IS NOT SEEKING TO PURCHASE OR REZONE YOUR PROPERTY. THE APPLICANT IS REQUIRED BY LAW TO SEND YOU THIS NOTICE BECAUSE YOU OWN PROPERTY LOCATED WITHIN 250 FEET OF THE SUBJECT PROPERTY.

Very truly yours,

Katriina S. McGuire,
Attorney for Applicant and Contract Purchaser

December 1, 2011

Zoning ~~Board of Appeals~~
Room 905 - City Hall
Chicago, Illinois 60602

Board Members:

I, Stephen J. Shockey, am a Senior Vice President of FirstMerit Bank, N.A., the legal title holder of the property located at 2816 N. Kimball Avenue in Chicago, Illinois.

I understand that Katriina S. McGuire of Schain, Burney, Banks & Kenny, Ltd. has filed a sworn affidavit identifying FirstMerit Bank, N.A. as the owner of 2816 N. Kimball Avenue, the land subject to the zoning amendment. I further understand that Clark Street Development, LLC has been identified as the applicant of the proposed zoning amendment application. On behalf of FirstMerit Bank, N.A., I consent to the filing of the application.

Stephen J. Shockey, Senior Vice
President FirstMerit Bank, N.A.

SUBSCRIBED AND SWORN to before
me this 1ST day of DECEMBER, 2011

Janet Gallichio
NOTARY PUBLIC

"OFFICIAL SEAL"
JANET GALLICHIO
Notary Public, State of Illinois
My Commission Expires 02/05/13

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

FirstMerit Bank, N.A.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant [x] the Owner
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: ____________
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: ____________

B. Business address of the Disclosing Party: III Cascade Plaza,CAS 61
Akron, OH 44308

C. Telephone: 708-498-2619 Fax: ____________ Email: Stephen.Shockey@firstmerit.com

D. Name of contact person: Stephen Shockey

E. Federal Employer Identification No. (if you have one): [redacted]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Zoning Amendement to 2816 N. Kimball

G. Which City agency or department is requesting this EDS? Department of Housing & Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[x] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Ohio

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[x] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See Attached.	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Wholly owned by	First Merit Corp.	
	III Cascade Plaza, CAS 81	
	Akron, OH 44308	
See Attached 10-Q		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[x] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [x] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[x] is [ ] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
N/A		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__x__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:
N/A

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

FirstMerit Bank N.A
(Print or type name of Disclosing Party)

By: [signature]
(Sign here)

Stephen J. Shockey
(Print or type name of person signing)

SENIOR VICE PRESIDENT
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 1st, 2011,
at Cook County, IL (state).

Janet Gallichio Notary Public.

Commission expires: 02/05/13.

"OFFICIAL SEAL"
JANET GALLICHIO
Notary Public, State of Illinois
My Commission Expires 02/05/13

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

NAME	TITLE	AFFILIATE	ASSISTANT
Paul G. Greig	Chairman, President & CEO	Corporate	Karen Rose
Terrence E. Bichsel	Executive Vice President	Corporate Finance	Laura Abood
Jim Brocklehurst	Executive Vice President	Retail Segment	Barb Patrino
Nicholas V. Browning	Executive Vice President	Akron Region	Julie Johnson
Timothy M. Burke, Jr.	Executive Vice President	Central Ohio Region	Natalie Joyce
Joseph V. Dolan	Executive Vice President	Commercial Solutions	Desiree Kramer
Kenneth A. Dorsett	Executive Vice President	Wealth Segment	Pat Schwartz
Mark N. DuHamel	Executive Vice President	Treasury	Laura Abood
Mark J. Fucinato	Executive Vice President	Credit/Illinois	Cathy Garcia
Peter K. Gillespie	Executive Vice President	Illinois Region	Desiree Kramer
David G. Goodall	Executive Vice President	Commercial Segment	Pat Schwartz
Gene Gottfried	Executive Vice President	Mid Ohio Region	Teresa Stough
Brian G. Karrip	Executive Vice President	Specialized Banking	Kim Ginter
Bruce M. Kephart	Executive Vice President	Northeast Region	Kim Rehmer
William G. Lamb	Executive Vice President	Erie Shores Region	Pam Wilgor Joyce Miller
Christopher J. Maurer	Executive Vice President	Human Resources	Caron Goldenberg
Sean P. Richardson	Executive Vice President	North Coast Region	Sue Coffey
William P. Richgels	Executive Vice President	Credit	Caron Goldenberg
Larry A. Shoff	Executive Vice President	Services Division	Shannon Young
Judith A. Steiner	Executive Vice President	Risk Management	Tonia Wages
Sue E. Zazon	Executive Vice President	Columbus Region	Teri Bladen
Julie C. Tutkovics	Senior Vice President	Marketing	Barb Patrino

Table of Contents

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED June 30, 2011

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _______

COMMISSION FILE NUMBER 0-10161

FIRSTMERIT CORPORATION

(Exact name of registrant as specified in its charter)

OHIO (State or other jurisdiction of incorporation or organization)	34-1339938 (IRS Employer Identification Number)

III CASCADE PLAZA, 7TH FLOOR, AKRON, OHIO
44308-1103
(Address of principal executive offices)
(330) 996-6300
(Telephone Number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☑ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☑

As of July 25, 2011, 109,239,331 shares, without par value, were outstanding.

TABLE OF CONTENTS

Table of Contents

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRSTMERIT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands) (Unaudited, except December 31, 2010, which is derived from the audited financial statements)	June 30, 2011	December 31, 2010	June 30, 2010
ASSETS			
Cash and due from banks	$ 191,965	$ 157,415	$ 221,851
Interest-bearing deposits in banks	32,113	365,698	398,664
Total cash and cash equivalents	224,078	523,113	620,515
Investment securities			
Held-to-maturity	80,857	59,962	65,160
Available-for-sale	3,498,272	2,987,040	3,067,552
Other investments	160,805	160,752	160,222
Loans held for sale	22,951	41,340	24,733
Noncovered loans			
Commercial loans	4,808,305	4,527,497	4,335,392
Mortgage loans	400,661	403,843	430,550
Installment loans	1,259,072	1,308,860	1,370,400
Home equity loans	738,719	749,378	762,288
Credit card loans	143,828	149,506	146,253
Leases	57,634	63,004	58,555
Total noncovered loans	7,408,219	7,202,088	7,103,438
Allowance for loan losses noncovered	(109,187)	(114,690)	(118,343)
Net noncovered loans	7,299,032	7,087,398	6,985,095
Covered loans (includes loss share receivable of $239 million, $289 million, and $344 million at June 30, 2011, December 31, 2010 and June 30, 2010, respectively.)	1,755,107	1,976,754	2,259,522
Allowance for covered loan losses	(33,360)	(13,733)	—
Net covered loans	1,721,747	1,963,021	2,259,522
Net loans	9,020,779	9,050,419	9,244,617
Premises and equipment, net	191,674	197,866	169,563
Goodwill	460,044	460,044	460,044
Intangible assets	9,325	10,411	12,422
Other real estate covered by FDIC loss share	58,502	54,710	50,461
Accrued interest receivable and other assets	620,270	589,057	646,184
Total assets	$14,347,557	$14,134,714	$14,521,473
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Demand-non-interest bearing	$ 2,944,117	$ 2,790,550	$ 2,621,994
Demand-interest bearing	842,280	868,404	718,891
Savings and money market accounts	5,305,584	4,811,784	4,353,579
Certificates and other time deposits	2,248,958	2,797,268	3,820,707
Total deposits	11,340,939	11,268,006	11,515,171
Federal funds purchased and securities sold under agreements to repurchase	809,570	777,585	744,055
Wholesale borrowings	325,133	326,007	474,963
Accrued taxes, expenses, and other liabilities	321,528	255,401	281,939
Total liabilities	12,797,170	12,626,999	13,016,128
Commitments and contingencies			
Shareholders' equity:			
Preferred stock, without par value authorized and unissued 7,000,000 shares	—	—	—
Preferred stock, Series A, without par value: designated 800,000 shares, none outstanding	—	—	—
Convertible preferred stock, Series B, without par value: designated 220,000 shares; none outstanding	—	—	—
Common stock, without par value. authorized 300,000,000 shares; issued 115,121,731, 115,121,731 and 115,121,731 at June 30, 2011, December 31, 2010 and June 30, 2010, respectively	127,937	127,937	127,937
Capital surplus	477,449	485,567	483,958
Accumulated other comprehensive loss	(9,145)	(26,103)	(4,517)
Retained earnings	1,103,608	1,080,900	1,059,418
Treasury stock, at cost, 5,880,692, 6,305,218 and 6,335,809 shares at June 30, 2011, December 31, 2010 and June 30, 2010, respectively	(149,462)	(160,586)	(161,451)
Total shareholders' equity	1,550,387	1,507,715	1,505,345
Total liabilities and shareholders' equity	$14,347,557	$14,134,714	$14,521,473

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents

FIRSTMERIT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(Unaudited) (Dollars in thousands except per share data)	Quarters ended June 30, 2011	Quarters ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
Interest income:				
Interest and fees on loans, including held for sale	$ 107,904	$ 109,924	$ 222,460	$ 193,569
Investment securities				
Taxable	22,176	25,602	43,661	50,472
Tax-exempt	3,137	3,288	6,332	6,627
Total investment securities interest	25,313	28,890	49,993	57,099
Total interest income	133,217	138,814	272,453	250,668
Interest expense.				
Interest on deposits:				
Demand-interest bearing	177	149	361	301
Savings and money market accounts	7,398	7,873	15,243	15,474
Certificates and other time deposits	5,606	9,510	12,433	15,916
Interest on securities sold under agreements to repurchase	940	1,404	1,855	2,531
Interest on wholesale borrowings	1,653	3,111	3,292	9,285
Total interest expense	15,774	22,047	33,184	43,507
Net interest income	117,443	116,767	239,269	207,161
Provision for loan losses noncovered	10,138	20,366	27,156	45,859
Provision for loan losses covered	7,481	267	12,812	267
Net interest income after provision for loan losses	99,824	96,134	199,301	161,035
Other income:				
Trust department income	5,863	5,574	11,377	10,855
Service charges on deposits	15,712	17,737	30,622	33,103
Credit card fees	13,510	12,242	25,717	23,800
ATM and other service fees	3,063	2,844	5,980	5,353
Bank owned life insurance income	3,015	2,886	8,256	8,538
Investment services and insurance	1,972	2,535	4,419	4,463
Investment securities gains, net	889	651	889	651
Loan sales and servicing income	2,609	2,975	7,621	6,212
Gain on George Washington acquisition	—	—	—	1,041
Other operating income	4,858	5,765	9,366	9,093
Total other income	51,491	53,209	104,247	103,109
Other expenses:				
Salaries, wages, pension and employee benefits	56,713	51,899	116,583	100,055
Net occupancy expense	8,086	7,680	16,680	14,820
Equipment expense	6,816	6,735	13,652	12,785
Stationery, supplies and postage	2,750	2,696	5,455	5,389
Bankcard, loan processing and other costs	8,266	7,663	15,829	15,481
Professional services	5,940	7,845	11,734	13,082
Amortization of intangibles	543	669	1,086	903
FDIC expense	4,581	4,416	8,947	8,181
Other operating expense	16,373	16,120	34,548	29,040
Total other expenses	110,068	105,723	224,514	199,736
Income before income tax expense	41,247	43,620	79,034	64,408
Income tax expense	11,484	12,127	21,710	17,525
Net income	$ 29,763	$ 31,493	$ 57,324	$ 46,883
Other comprehensive income, net of taxes				
Unrealized securities' gains (losses), net of taxes	$ 17,198	$ 16,889	$ 17,536	$ 21,365
Less: reclassification adjustment for securities' gains (losses) realized in income, net of taxes	578	423	578	423
Total other comprehensive gain (loss), net of taxes	16,620	16,466	16,958	20,942
Comprehensive income	$ 46,383	$ 47,959	$ 74,282	$ 67,825
Net income applicable to common shares	$ 29,763	$ 31,493	$ 57,324	$ 46,883
Net income used in diluted EPS calculation	$ 29,763	$ 31,493	$ 57,324	$ 46,883
Weighted average number of common shares outstanding — basic	109,138	98,968	108,954	93,400
Weighted average number of common shares outstanding — diluted	109,139	98,969	108,955	93,403
Basic earnings per share	$ 0.27	$ 0.32	$ 0.53	$ 0.50
Diluted earnings per share	$ 0.27	$ 0.32	$ 0.53	$ 0.50
Dividend per share	$ 0.16	$ 0.16	$ 0.32	$ 0.32

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents

FIRSTMERIT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited) (In thousands)	Preferred Stock	Common Stock	Common Stock Warrant	Capital Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at December 31, 2009	$ —	$ 127,937	$ —	$ 88,573	$ (25,459)	$ 1,043,625	$ (169,049)	$ 1,065,627
Net income	—	—	—	—	—	46,883	—	46,883
Cash dividends — common stock ($0.32 per share)	—	—	—	—	—	(31,090)	—	(31,090)
Options exercised (48,365 shares)	—	—	—	(330)	—	—	1,156	826
Nonvested (restricted) shares granted (407,055 shares)	—	—	—	(9,917)	—	—	9,911	(6)
Restricted stock activity (161,234 shares)	—	—	—	1,032	—	—	(3,567)	(2,535)
Deferred compensation trust (2,877 increase in shares)	—	—	—	(98)	—	—	98	—
Share-based compensation	—	—	—	4,634	—	—	—	4,634
Issuance of common stock (21,487,860 shares)	—	—	—	400,064	—	—	—	400,064
Net unrealized gains on investment securities, net of taxes	—	—	—	—	20,942	—	—	20,942
Balance at June 30, 2010	$ —	$ 127,937	$ —	$ 483,958	$ (4,517)	$ 1,059,418	$ (161,451)	$ 1,505,345
Balance at December 31, 2010	$ —	$ 127,937	$ —	$ 485,567	$ (26,103)	$ 1,080,900	$ (160,586)	$ 1,507,715
Net income	—	—	—	—	—	57,324	—	57,324
Cash dividends — common stock ($0.32 per share)	—	—	—	—	—	(34,616)	—	(34,616)
Nonvested (restricted) shares granted (560,438 shares)	—	—	—	(13,656)	—	—	13,657	1
Restricted stock activity (135,912 shares)	—	—	—	312	—	—	(2,535)	(2,223)
Deferred compensation trust (6,582 decrease in shares)	—	—	—	(2)	—	—	2	—
Share-based compensation	—	—	—	5,228	—	—	—	5,228
Net unrealized gains on investment securities, net of taxes	—	—	—	—	16,958	—	—	16,958
Balance at June 30, 2011	$ —	$ 127,937	$ —	$ 477,449	$ (9,145)	$ 1,103,608	$ (149,462)	$ 1,550,387

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents

FIRSTMERIT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) (Dollars in thousands)	Six months ended June 30, 2011	2010
Operating Activities		
Net income	$ 57,324	$ 46,883
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	39,968	46,126
Depreciation and amortization	11,324	10,375
Benefit attributable to FDIC loss share	22,854	—
Accretion of acquired loans	(63,508)	(27,781)
Accretion income for lease financing	(1,304)	(1,298)
Amortization and accretion of securities, net		
Available for sale	7,530	5,081
Other	13	—
Gain on acquisition	—	(1,041)
Gain on sales and calls of investment securities, net		
Available for sale	(889)	(651)
Originations of loans held for sale	(193,212)	(182,735)
Proceeds from sales of loans, primarily mortgage loans sold in the secondary mortgage markets	214,996	178,105
Gains on sales of loans, net	(3,395)	(3,275)
Amortization of intangible assets	1,086	903
Net change in assets and liabilities		
Interest receivable	(1,273)	(3,825)
Interest payable	(709)	(4,414)
Prepaid assets	(16,552)	2,455
Bank owned life insurance	(4,195)	(4,204)
Employee pension liability	4,303	18,704
Other assets and liabilities	(10,560)	(8,767)
NET CASH PROVIDED BY OPERATING ACTIVITIES	63,801	70,641
Investing Activities		
Proceeds from sales of securities		
Available for sale	3,648	500,066
Proceeds from prepayments, calls, and maturities		
Available for sale	503,105	369,285
Held to maturity	15,568	9,215
Other	12	25
Purchases of securities		
Available for sale	(939,552)	(829,717)
Held to maturity	(36,461)	(23,688)
Other	(79)	(3,323)
Net decrease in loans and leases	28,850	132,645
Purchases of premises and equipment	(5,132)	(12,548)
Net cash acquired from acquisitions	—	985,506
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(430,041)	1,127,466
Financing Activities		
Net increase in demand accounts	127,443	55,676
Net increase in savings and money market accounts	493,800	111,328
Net decrease in certificates and other time deposits	(548,310)	(32,417)
Net increase (decrease) in securities sold under agreements to repurchase	31,985	(975,335)
Net decrease in wholesale borrowings	(874)	(265,142)
Net proceeds from issuance of common stock	—	400,064
Cash dividends — common	(34,616)	(31,090)
Restricted stock activity	(2,223)	(2,535)
Proceeds from exercise of stock options, conversion of debentures or conversion of preferred stock	—	826
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	67,205	(738,625)
Increase in cash and cash equivalents	(299,035)	459,482
Cash and cash equivalents at beginning of period	523,113	161,033
Cash and cash equivalents at end of period	$ 224,078	$ 620,515
SUPPLEMENTAL DISCLOSURES		
Cash paid during the period for:		
Interest, net of amounts capitalized	$ 27,741	$ 33,777
Federal income taxes	$ 2,615	$ 14,108

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents

FirstMerit Corporation and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2011 *(Unaudited) (Dollars in thousands except per share data)*

1. Summary of Significant Accounting Policies

Basis of Presentation — FirstMerit Corporation ("the Parent Company") is a bank holding company whose principal asset is the common stock of its wholly-owned subsidiary, FirstMerit Bank, N. A. (the "Bank"). The Parent Company's other subsidiaries include Citizens Savings Corporation of Stark County, FirstMerit Capital Trust I, FirstMerit Community Development Corporation, FirstMerit Risk Management, Inc., and FMT, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

The accounting and reporting policies of FirstMerit Corporation and its subsidiaries (the "Corporation") conform to generally accepted accounting principles in the United States of America ("U.S. GAAP") and to general practices within the financial services industry.

The consolidated balance sheet at December 31, 2010 has been derived from the audited consolidated financial statements at that date. The accompanying unaudited interim financial statements reflect all adjustments (consisting only of normally recurring adjustments) that are, in the opinion of FirstMerit Corporation's Management ("Management"), necessary for a fair statement of the results for the interim periods presented. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted in accordance with the rules of the Securities and Exchange Commission ("SEC"). The unaudited consolidated financial statements of the Corporation as of June 30, 2011 and 2010 are not necessarily indicative of the results that may be achieved for the full fiscal year or for any future period. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2010 (the "2010 Form 10-K"). Certain reclassifications of prior year's amounts have been made to conform to the current year presentation. Such reclassifications had no effect on net earnings or equity.

There have been no significant changes to the Corporation's accounting policies as disclosed in the Annual Report on Form 10-K for the year ended December 31, 2010

In preparing these accompanying unaudited interim consolidated financial statements, subsequent events were evaluated through the time the consolidated financial statements were issued. No material subsequent events have occurred requiring recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

Recently Adopted and Issued Accounting Standards -

FASB ASU 2010-06, Improving Disclosures about Fair Value Measurements. The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-06 to amend ASC 820, *Fair Value Measurement and Disclosures* ("ASC 820"), to require additional disclosures regarding fair value measurements. Specifically, the ASU requires disclosure of the amounts of significant transfers between Level 1 and Level 2 of the fair value hierarchy and the reasons for these transfers, the reasons for any transfers in or out of Level 3; and information in the reconciliation of recurring Level 3 measurements about gross purchases, sales, issuances and settlements. Except for the requirement to disclose purchases, sales, issuances and

Table of Contents

settlements in the reconciliation of recurring Level 3 measurements on a gross basis, all the amendments to ASC 820 made by ASU 2010-06 were effective for the Corporation on January 1, 2010. The requirement to separately disclose purchases, sales, issuances and settlements of recurring Level 3 measurements was effective for the Corporation as of January 1, 2011. All required disclosures are incorporated into Note 11 (Fair Value Measurement).

FASB ASU 2010-20, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses.* In July 2010, the FASB issued ASU 2010-20, which requires new qualitative and quantitative disclosures on the allowance for credit losses, credit quality, impaired loans, modifications and nonaccrual and past due financing receivables. The guidance requires that an entity provide disclosures facilitating financial statement users' evaluation of the nature of credit risk inherent in the entity's portfolio of financing receivables (i e., loans), how that risk is analyzed and assessed in arriving at the allowance for credit losses, and the changes and reasons for those changes in the allowance for credit losses. These required disclosures are to be presented on a disaggregated basis at the portfolio segment and the class of financing receivables level. As it relates to disclosures as of the end of a reporting period, ASU 2010-20 was effective for the Corporation as of December 31, 2010. Disclosures that relate to activity during a reporting period were required for the Corporation in the period beginning January 1, 2011 and are incorporated into Note 4 (Loans) and Note 5 (Allowance for Loan Losses). In January 2011, the FASB temporarily deferred the effective date for disclosures about troubled debt restructurings under ASU 2010-20. See ASU 2011-2 below which requires disclosures about troubled debt restructurings under ASU 2010-20 on a prospective basis beginning in the quarter ended September 30, 2011.

FASB ASU 2010-28, *When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts.* In December 2010, the FASB issued ASU 2010-28, which modifies Step 1 of the goodwill impairment test under ASC 350, *Intangibles-Goodwill and Other* ("ASC 350"), for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors (as defined in ASC 350) indicating that an impairment may exist. This guidance was effective for the Corporation as of January 1, 2011. The adoption of ASU 2010-28 did not have an impact on the Corporation's consolidated financial statements.

FASB ASU 2010-29, *Disclosure of Supplementary Pro Forma Information for Business Combinations.* In December 2010, the FASB issued ASU 2010-29, which clarifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. ASU 2010-29 is effective for the Corporation prospectively for business combinations for which the acquisition date is on or after the January 1, 2011. The Corporation has had no acquisitions subsequent to January 1, 2011.

FASB ASU 2011-02, *A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring* In April 2011, the FASB issued ASU 2011-02, which provides additional guidance to help creditors in determining whether a creditor has granted a concession and whether a debtor is experiencing financial difficulties for purposes of determining whether a restructuring constitutes a troubled debt restructuring. The amendments in this update are effective for the Corporation beginning in the quarter ended September 30, 2011 and are to be applied retrospectively to January 1, 2011. In addition, the modification disclosures described in ASU 2010-20, which were subsequently deferred by ASU 2011-01, *Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings*, will be effective on a prospective basis

Table of Contents

beginning in the quarter ended September 30, 2011. The Corporation has not completed evaluating the impact of ASU 2011-02 on its consolidated financial statements.

FASB ASU 2011-03, *Reconsideration of Effective Control for Repurchase Agreements.* In April 2011, the FASB issued ASU 2011-03, which removes from the assessment of effective control (1) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (2) the collateral maintenance implementation guidance related to that criterion. ASU 2011-03 is effective prospectively for all transactions or modifications of existing transactions that occur on or after January 1, 2012. The Corporation has not completed evaluating the impact of ASU 2011-03 on its consolidated financial statements.

FASB ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* In May 2011, the FASB issued ASU 2011-04. The amendments in this update result in common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards ("IFRSs"). Consequently, the amendments change the wording used to describe many of the requirements in U.S GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend for the amendments in this update to result in a change in the application of the requirements in ASC 820 Some of the amendments clarify the FASB's intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. ASU 2011-04 is effective for the Corporation on a prospective basis beginning in the quarter ended March 31, 2012. The Corporation has not completed evaluating the impact of ASU 2011-04 on its consolidated financial statements

FASB ASU 2011-05, *Presentation of Comprehensive Income.* In June 2011, the FASB issued ASU 2011-05, which provides entities with the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income, along with a total for other comprehensive income, and a total amount for comprehensive income. Regardless of whether an entity chooses to present comprehensive income in a single continuous statement or in two separate but consecutive statements, the entity is required to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. This update is effective on a retrospective basis beginning in the quarter ended March 31, 2012 As the Corporation currently reports comprehensive income in a single continuous statement with all of the components required by ASU 2011-05, the adoption of this guidance will not have an impact on its consolidated financial statements.

2. Business Combinations

First Bank Branches

On February 19, 2010, the Bank completed the acquisition of certain assets and the assumption of certain liabilities with respect to 24 branches of First Bank located in the greater Chicago, Illinois area. This acquisition was accounted for under the acquisition method in accordance with ASC 805, *Business Combinations* ("ASC 805").

Table of Contents

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition. The Bank received cash of $832 5 million to assume the net liabilities.

	Acquired Book Value	Fair Value Adjustments	As Recorded by FirstMerit Bank, N.A.
Assets			
Cash and due from banks	$ 3,725	$ —	$ 3,725
Loans	301,236	(25,624)	275,612
Premises and equipment	22,992	18,963	41,955
Goodwill	—	48,347	48,347
Core deposit intangible	—	3,154	3,154
Other assets	941	3,115	4,056
Total assets acquired	$ 328,894	$ 47,955	$ 376,849
Liabilities			
Deposits	$1,199,279	$ 7,134	$ 1,206,413
Accrued expenses and other liabilities	4,192	(1,271)	2,921
Total liabilities assumed	$1,203,471	$ 5,863	$ 1,209,334

All loans acquired in the First Bank acquisition were performing as of the date of acquisition. The difference between the fair value and the outstanding principal balance of the purchased loans is being accreted to interest income over the remaining term of the loans in accordance with ASC 310, *Receivables* ("ASC 310").

Additional information can be found in Note 4 (Loans) and Note 6 (Goodwill and Intangible Assets).

George Washington Savings Bank — FDIC Assisted Acquisition

On February 19, 2010, the Bank entered into a purchase and assumption agreement with a loss share arrangement with the Federal Deposit Insurance Corporation ("FDIC"), as receiver of George Washington Savings Bank ("George Washington"), the subsidiary of George Washington Savings Bancorp, to acquire certain assets and assume substantially all of the deposits and certain liabilities in a whole-bank acquisition of George Washington, a full service Illinois-chartered savings bank headquartered in Orland Park, Illinois. The Bank received a cash payment from the FDIC of approximately $40 2 million to assume the net liabilities.

The FDIC granted the Bank the option to purchase at appraised value the premises, furniture, fixtures and equipment of George Washington and assume the leases associated with these branches. The Bank exercised its option during the second quarter of 2010 and purchased three of the former George Washington branches, including the furniture, fixtures and equipment within these branches, for a combined purchase price of $4.3 million.

The loans and other real estate (collectively referred to as "Covered Assets") acquired are covered by a Loss Share Agreement between the Bank and the FDIC which affords the Bank significant protection against future losses The acquired loans covered under the Loss Share Agreements with the FDIC, including the amounts of expected reimbursements from the FDIC under these agreements, are reported in loans and are referred to as "Covered Loans". New loans made after the date of the transaction are not covered by the

Table of Contents

provisions of the Loss Share Agreements The Bank acquired other assets that are not covered by the Loss Share Agreements, including investment securities purchased at fair market value and other tangible assets.

Pursuant to the terms of the Loss Share Agreements, the FDIC is obligated to reimburse the Bank for 80% of losses of up to $172.0 million with respect to the Covered Assets and will reimburse the Bank for 95% of losses that exceed $172.0 million. Under the Loss Share Agreements, the Bank will reimburse the FDIC for 80% of recoveries with respect to losses for which the FDIC paid the Bank 80% reimbursement under the loss sharing agreements, and for 95% of recoveries with respect to losses for which the FDIC paid the Bank 95% reimbursement. The Loss Share Agreements applicable to single family residential mortgage loans provides for FDIC loss sharing and Bank reimbursement to the FDIC for ten years The Loss Share Agreements applicable to commercial loans provides for FDIC loss sharing for five years and Bank reimbursement to the FDIC for eight years.

The reimbursable losses from the FDIC are based on the pre-acquisition book value of the Covered Assets, as determined by the FDIC at the date of the transaction, the contractual balance of acquired unfunded commitments, and certain future net direct costs incurred in the collection and settlement process. The amount that the Bank realizes on these assets could differ materially from the carrying value that will be reflected in any financial statements, based upon the timing and amount of collections and recoveries on the Covered Assets in future periods

The purchased assets and liabilities assumed were recorded at their estimated fair values on the date of acquisition. At the date of the transaction, the estimated fair value of the Covered Loans was $177.8 million and the expected reimbursement for losses to be incurred by the Bank on these Covered Loans was $88 7 million. At the date of the transaction, the estimated fair value of the covered other real estate was $11.5 million and the expected reimbursement for losses to be incurred by the Bank on this covered other real estate was $11.3 million. The estimated fair value of assets acquired, intangible assets and the cash payment received from the FDIC exceeded the estimated fair value of the liabilities assumed, resulting in a bargain purchase gain of $1.0 million or $0.7 million net of tax. These fair value estimates reflect the additional information that the Corporation obtained during the quarters ended June 30, 2010 and September 30, 2010 which resulted in changes to certain fair value estimates made as of the acquisition date. Material adjustments to acquisition date estimated fair values are recorded in the period in which the acquisition occurred and, as a result, previously recorded results have changed. After considering this additional information, the estimated fair value of the Covered Loans increased by $6.3 million, the FDIC loss share receivable on the Covered Loans decreased by $7.5 million, and other liabilities increased $5.2 million as of February19, 2010 from that originally reported in the quarter ended March 31, 2010. These revised estimates resulted in a decrease of $4.0 million to the bargain purchase gain from that originally reported in the quarter ended March 31, 2010, which is included in noninterest income in the consolidated statements of income and comprehensive income for the six months ended June 30, 2010.

In accordance with the Loss Share Agreements, on April 14, 2020, (the "George Washington True-Up Measurement Date"), the Bank has agreed to pay to the FDIC 50% of the excess, if any, of (1) 20% of the stated threshold ($172.0 million) less (2) the sum of (A) 25% of the asset discount ($47.0 million) received in connection with the George Washington acquisition plus (B) 25% of the cumulative shared-loss payments (as defined below) plus (C) the cumulative servicing amount (as defined below). For purposes of the above calculation, cumulative shared-loss payments means (i) the aggregate of all of the payments made or payable to the Bank under the loss sharing agreements minus (ii) the aggregate of all of the payments made or payable to the FDIC. The cumulative servicing amount means the sum of the Period Servicing Amounts (as defined in the Loss Share Agreements) for every consecutive twelve-month period prior to and ending on the George

Table of Contents

Washington True-Up Measurement Date. As of the date of the acquisition, the true-up liability was estimated to be $5.2 million and was recorded in accrued taxes, expenses and other liabilities on the consolidated balance sheets. The fair value of the true-up liability as of June 30, 2011 was $4.5 million. Additional information can be found in Note 11 (Fair Value Measurement).

Due to the significant fair value adjustments recorded, as well as the nature of the Loss Share Agreements in place, George Washington's historical results are not believed to be relevant to the Corporation's results, and thus no pro forma information is presented.

The acquired assets and liabilities, as well as the adjustments to record the assets and liabilities at fair value, are presented in the following table.

	As Recorded by FDIC	Fair Value Adjustments	As Recorded by FirstMerit Bank, N.A.
Assets			
Cash and due from banks	$ 57,984	$ —	$ 57,984
Investment securities	15,410	—	15,410
Covered loans			
Commercial loans	254,492	(117,879)	136,613
Mortgage loans	27,218	(2,860)	24,358
Installment loans	24,078	(7,298)	16,780
Total covered loans	305,788	(128,037)	177,751
Loss share receivable — loans	—	88,694	88,694
Total covered loans and loss share receivable	305,788	(39,343)	266,445
Core deposit intangible	—	962	962
Covered other real estate	19,021	(7,561)	11,460
Loss share receivable-other real estate	—	11,339	11,339
Other assets	5,680	—	5,680
Total assets acquired	$ 403,883	$ (34,603)	$ 369,280
Liabilities			
Deposits			
Noninterest-bearing deposit accounts	$ 54,242	$ —	$ 54,242
Savings deposits	62,737	—	62,737
Time deposits	278,755	4,921	283,676
Total deposits	395,734	4,921	400,655
Accrued expenses and other liabilities	2,569	5,191	7,760
Total liabilities assumed	$ 398,303	$ 10,112	$ 408,415

Midwest Bank and Trust Company — FDIC Assisted Acquisition

On May 14, 2010, the Bank entered into a purchase and assumption agreement with a loss share arrangement with the FDIC, as receiver of Midwest Bank and Trust Company ("Midwest"), a wholly owned subsidiary of Midwest Banc Holdings, Inc., to acquire substantially all of the loans and certain other assets and assume substantially all of the deposits and certain liabilities in a whole-bank acquisition of Midwest, a full-service commercial bank located in the greater Chicago, Illinois area. The Bank made a cash payment to the FDIC of approximately $227.5 million to assume the net assets.

Table of Contents

The FDIC granted the Bank the option to purchase at appraised value the premises, furniture, fixtures and equipment of Midwest and assume the leases associated with these branches. The Bank exercised its option during the third quarter of 2010 and purchased ten of the former Midwest branches, including the furniture, fixtures and equipment within these branches, for a combined purchase price of $25.1 million.

The loans and other real estate acquired are covered by a loss share agreement between the Bank and the FDIC which affords the Bank significant protection against future losses. New loans made after the date of the transaction are not covered by the provisions of the loss sharing agreements. The Bank acquired other assets that are not covered by the loss sharing agreements with the FDIC, including investment securities purchased at fair market value and other tangible assets.

Pursuant to the terms of the Loss Share Agreements, the FDIC's obligation to reimburse the Bank for losses with respect to Covered Assets begins with the first dollar of loss incurred. The FDIC will reimburse the Bank for 80% of losses with respect to Covered Assets. The Bank will reimburse the FDIC for 80% of recoveries with respect to losses for which the FDIC has reimbursed the Bank. The Loss Share Agreement applicable to single-family residential mortgage loans provides for FDIC loss sharing and the Bank reimbursement to the FDIC, in each case as described above, for ten years. The Loss Share Agreement applicable to Covered Assets other than single-family residential mortgage loans provides for FDIC loss sharing for five years and the Bank reimbursement to the FDIC for eight years.

The reimbursable losses from the FDIC are based on the pre-acquisition book value of the Covered Assets, as determined by the FDIC at the date of the transaction, the contractual balance of acquired unfunded commitments, and certain future net direct costs incurred in the collection and settlement process. The amount that the Bank realizes on these assets could differ materially from the carrying value that will be reflected in any financial statements, based upon the timing and amount of collections and recoveries on the Covered Assets in future periods.

The acquisition of the net assets of Midwest constituted a business combination and, accordingly, were recorded at their estimated fair values on the date of acquisition. At the date of the transaction, the estimated fair value of the Covered Loans was $1.8 billion and the expected reimbursement for losses to be incurred by the Bank on the acquired loans was $260.7 million. At the date of the transaction, the estimated fair value of the covered other real estate was $26.2 million and the expected reimbursement for losses to be incurred by the Bank on this covered other real estate was $2.2 million. The estimated fair value of the liabilities assumed and cash payment made to the FDIC exceeded the revised fair value of assets acquired, resulting in recognition of goodwill of $272.1 million. These estimated fair values reflect the additional information that the Corporation obtained during the quarters ended September 30, 2010, December 31, 2010 and March 31, 2011 which resulted in changes to certain fair value estimates made as of the acquisition date. Material adjustments to acquisition date estimated fair values are recorded in the period in which the acquisition occurred and, as a result, previously recorded results have changed. After considering this additional information, the estimated fair value of the Covered Loans decreased by $39.4 million, the FDIC loss share receivable on the Covered Loans increased by $23.9 million, accrued interest increased by $5.4 million, other assets increased by $20.6 million and other liabilities decreased by $2.3 million as of May 14, 2010 from that originally reported in the quarter ended June 30, 2010. These revised estimates resulted in a decrease of goodwill by $5.6 million from that originally reported in the quarter ended June 30, 2010 to $272.1 million, which was recognized in the quarter ended June 30, 2010 and which is reflected in the June 30, 2011 consolidated balance sheet.

In accordance with the Loss Share Agreements, on July 15, 2020 (the "Midwest True-Up Measurement Date"), the Bank has agreed to pay to the FDIC half of the amount, if positive, calculated as: (1) 20% of the

Table of Contents

intrinsic loss estimate of the FDIC (approximately $152 million); minus (2) the sum of (A) 25% of the asset premium paid in connection with the Midwest acquisition (approximately $20 million), plus (B) 25% of the Cumulative Shared-Loss Payments (as defined below) plus (C) the Cumulative Servicing Amount (as defined below). For the purposes of the above calculation, Cumulative Shared-Loss Payments means: (i) the aggregate of all of the payments made or payable to FirstMerit Bank; minus (ii) the aggregate of all of the payments made or payable to the FDIC. Cumulative Servicing Amount means the Period Servicing Amounts (as defined in the loss sharing agreements) for every consecutive twelve-month period prior to and ending on the Midwest True-Up Measurement Date in respect of each of the loss share agreements during which the loss sharing provisions of the applicable loss share agreement is in effect. As of the date of acquisition, the true-up liability was estimated to be $6.3 million and was recorded in accrued taxes, expenses and other liabilities on the consolidated balance sheets. The fair value of the true-up liability as of June 30, 2011 was $7.7 million. Additional information can be found in Note 11 (Fair Value Measurement).

Additional information can be found in Note 4 (Loans) and Note 6 (Goodwill and Intangible Assets).

Due to the significant fair value adjustments recorded, as well as the nature of the Loss Share Agreements in place, Midwest's historical results are not believed to be relevant to the Corporation's results, and thus no pro forma information is presented.

The acquired assets and liabilities, as well as the adjustments to record the assets and liabilities at fair value, are presented in the following table.

Table of Contents

	As Recorded by FDIC	Fair Value Adjustments	As Recorded by FirstMerit Bank, N.A.
Assets			
Cash and due from banks	$ 279,352	$ —	$ 279,352
Investment securities	565,210	(977)	564,233
Commercial loans	1,840,001	(317,526)	1,522,475
Consumer loans	312,131	(53,742)	258,389
Total covered loans	2,152,132	(371,268)	1,780,864
Allowance for loan losses	(5,465)	5,465	—
Accrued interest	5,436	(5,436)	—
Loss share receivable — loans	—	260,730	260,730
Total covered loans and loss share receivable	2,152,103	(110,509)	2,041,594
Core deposit intangible	—	7,433	7,433
Covered other real estate	27,320	(1,165)	26,155
Loss share receivable — other real estate		2,196	2,196
Goodwill	—	272,099	272,099
Other assets	9,838	19,054	28,892
Total assets acquired	$3,033,823	$ 188,131	$ 3,221,954
Liabilities			
Deposits			
Savings deposits	$ 748,681	$ —	$ 748,681
Time deposits	1,499,913	9,125	1,509,038
Total deposits	2,248,594	9,125	2,257,719
Borrowings	639,804	83,241	723,045
FDIC liability	—	6,256	6,256
Accrued expenses and other liabilities	7,395	—	7,395
Total liabilities assumed	$2,895,793	$ 98,622	$ 2,994,415

3. Investment Securities

The following tables provide the amortized cost and fair value for the major categories of held-to-maturity and available-for-sale securities. Held-to-maturity securities are carried at amortized cost, which reflects historical cost, adjusted for amortization of premiums and accretion of discounts. Available-for-sale securities are carried at fair value with net unrealized gains or losses reported on an after-tax basis as a component of other comprehensive income in shareholders' equity.

Table of Contents

	June 30, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale				
Debt Securities				
U.S. government agency debentures	370,649	743	(148)	371,244
U.S. States and political subdivisions	299,238	10,728	(181)	309,785
Residential mortgage-backed securities:				
U.S. government agencies	1,528,537	60,524	(90)	1,588,971
Residential collateralized mortgage-backed securities:				
U.S. government agencies	1,061,393	19,883	(1,326)	1,079,950
Non-agency	93,733	114	—	93,847
Corporate debt securities	61,461	—	(10,738)	50,723
Total debt securities	3,415,011	91,992	(12,483)	3,494,520
Marketable equity securities	3,752	—	—	3,752
Total securities available for sale	$ 3,418,763	$ 91,992	$ (12,483)	$ 3,498,272
Securities held to maturity				
Debt Securities				
U.S. States and political subdivisions	$ 80,857	$ —	$ —	$ 80,857
Total securities held to maturity	$ 80,857	$ —	$ —	$ 80,857

	December 31, 2010			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale				
Debt Securities				
U.S. government agency debentures	$ 399,122	$ 703	$ (194)	$ 399,631
U.S. States and political subdivisions	296,327	3,537	(2,119)	297,745
Residential mortgage-backed securities:				
U.S. government agencies	1,343,021	52,230	(547)	1,394,704
Residential collateralized mortgage-backed securities:				
U.S. government agencies	814,774	18,223	(2,306)	830,691
Non-agency	15,018	—	—	15,018
Corporate debt securities	61,435	—	(16,106)	45,329
Total debt securities	2,929,697	74,693	(21,272)	2,983,118
Marketable equity securities	3,922	—	—	3,922
Total securities available for sale	$2,933,619	$ 74,693	$ (21,272)	$2,987,040
Securities held to maturity				
Debt Securities				
U.S. States and political subdivisions	$ 59,962	$ —	$ —	$ 59,962
Total securities held to maturity	$ 59,962	$ —	$ —	$ 59,962

	June 30, 2010			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale				
Debt Securities				
U.S. Treasury	$ 50,000	$ —	$ —	$ 50,000
U.S. government agency debentures	326,338	1,130	(21)	327,447
U.S. States and political subdivisions	286,297	7,960	(81)	294,176
Residential mortgage-backed securities:				
U.S. government agencies	1,491,498	72,850	(63)	1,564,285
Residential collateralized mortgage-backed securities:				
U.S. government agencies	761,197	23,543	—	784,740
Non-agency	20	—	(1)	19
Corporate debt securities	61,410	—	(17,968)	43,442
Total debt securities	2,976,760	105,483	(18,134)	3,064,109
Marketable equity securities	3,443	—	—	3,443
Total securities available for sale	$2,980,203	$ 105,483	$ (18,134)	$3,067,552
Securities held to maturity				
Debt Securities				
U.S. States and political subdivisions	$ 65,160	$ —	$ —	$ 65,160
Total securities held to maturity	$ 65,160	$ —	$ —	$ 65,160

Table of Contents

Federal Reserve Bank ("FRB") and Federal Home Loan Bank ("FHLB") stock constitute the majority of other investments on the consolidated balance sheet.

	June 30, 2011	December 31, 2010	June 30, 2010
FRB stock	$ 20,804	$ 20,725	$ 19,787
FHLB stock	139,398	139,398	139,398
Other	603	629	1,037
Total other investments	$ 160,805	$ 160,752	$ 160,222

FRB and FHLB stock is classified as a restricted investment, carried at cost and valued based on the ultimate recoverability of par value. Cash and stock dividends received on the stock are reported as interest income. There are no identified events or changes in circumstances that may have a significant adverse effect on these investments carried at cost.

At June 30, 2011, securities totaling $2.0 billion were pledged to secure trust and public deposits and securities sold under agreements to repurchase and for other purposes required or permitted by law.

Gross Unrealized Losses and Fair Value

The following table presents the gross unrealized losses and fair value of securities in the securities available-for-sale portfolio by length of time that individual securities in each category had been in a continuous loss position.

	June 30, 2011							
	Less than 12 months			12 months or longer			Total	
	Fair Value	Unrealized Losses	Number of Impaired Securities	Fair Value	Unrealized Losses	Number of Impaired Securities	Fair Value	Unrealized Losses
Debt Securities								
U.S. government agency debentures	$ 23,538	$ (148)	2	$ —	$ —	—	$ 23,538	$ (148)
U.S. States and political subdivisions	18,176	(158)	24	655	(23)	1	18,831	(181)
Residential mortgage-backed securities:								
U.S. government agencies	14,229	(87)	1	182	(3)	2	14,411	(90)
Residential collateralized mortgage-backed securities:								
U.S. government agencies	265,319	(1,326)	18	—	—	—	265,319	(1,326)
Corporate debt securities	—	—	—	50,723	(10,738)	8	50,723	(10,738)
Total temporarily impaired securities	$ 321,262	$ (1,719)	45	$ 51,560	$ (10,764)	11	$ 372,822	$ (12,483)

Table of Contents

	December 31, 2010							
	Less than 12 months			12 months or longer			Total	
	Fair Value	Unrealized Losses	Number of Impaired Securities	Fair Value	Unrealized Losses	Number of Impaired Securities	Fair Value	Unrealized Losses
Debt Securities								
U.S. government agency debentures	$ 109,238	$ (194)	8	$ —	$ —	—	$ 109,238	$ (194)
U.S. States and political subdivisions	105,530	(2,095)	164	665	(24)	1	106,195	(2,119)
Residential mortgage-backed securities								
U.S. government agencies	67,474	(544)	7	195	(3)	1	67,669	(547)
Residential collateralized mortgage-backed securities:								
U.S. government agencies	188,264	(2,306)	17	—	—	—	188,264	(2,306)
Non-agency	—	—	—	—	—	—	—	—
Corporate debt securities	—	—	—	45,329	(16,106)	8	45,329	(16,106)
Total temporarily impaired securities	$ 470,506	$ (5,139)	196	$ 46,189	$ (16,133)	10	$ 516,695	$ (21,272)

	June 30, 2010							
	Less than 12 months			12 months or longer			Total	
	Fair Value	Unrealized Losses	Number of Impaired Securities	Fair Value	Unrealized Losses	Number of Impaired Securities	Fair Value	Unrealized Losses
Debt Securities								
U.S. government agency debentures	$ 30,275	$ (21)	2	$ —	$ —	—	$ 30,275	$ (21)
U.S. States and political subdivisions	13,822	(68)	20	689	(13)	1	14,511	(81)
Residential mortgage-backed securities:								
U.S. government agencies	15,016	(60)	2	227	(3)	1	15,243	(63)
Residential collateralized mortgage-backed securities								
Non-agency	3	(1)	1	—	—	—	3	(1)
Corporate debt securities	—	—	—	43,442	(17,968)	8	43,442	(17,968)
Total temporarily impaired securities	$ 59,116	$ (150)	25	$ 44,358	$ (17,984)	10	$ 103,474	$ (18,134)

At least quarterly the Corporation conducts a comprehensive security-level impairment assessment on all securities in an unrealized loss position to determine if other-than-temporary impairment ("OTTI") exists. An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis Under the current OTTI accounting model for debt securities, an OTTI loss must be recognized for a debt security in an unrealized loss position if the Corporation intends to sell the security or it is more likely than not that the Corporation will be required to sell the security before recovery of its amortized cost basis. In this situation, the amount of loss recognized in income is equal to the difference between the fair value and the amortized cost basis of the security. Even if the Corporation does not expect to sell the security, the Corporation must evaluate the expected cash flows to be received to determine if a credit loss has occurred. In the event of a credit loss, only the amount of impairment associated with the credit loss is recognized in income. The portion of the unrealized loss relating to other factors, such as liquidity conditions in the market or changes in market interest rates, is recorded in other comprehensive income. Equity securities are also evaluated to determine whether the unrealized loss is expected to be recoverable based on whether evidence exists to support a realizable value equal to or greater than the amortized cost basis. If it is probable that the Corporation will not recover the amortized cost basis, taking into consideration the estimated recovery period and its ability to hold the equity security until recovery, OTTI is recognized.

Table of Contents

The security-level assessment is performed on each security, regardless of the classification of the security as available for sale or held to maturity. The assessments are based on the nature of the securities, the financial condition of the issuer, the extent and duration of the securities, the extent and duration of the loss and whether Management intends to sell or it is more likely than not that it will be required to sell a security before recovery of its amortized cost basis, which may be maturity. For those securities for which the assessment shows the Corporation will recover the entire cost basis, Management does not intend to sell these securities and it is not more likely than not that the Corporation will be required to sell them before the anticipated recovery of the amortized cost basis, the gross unrealized losses are recognized in other comprehensive income, net of tax.

As of June 30, 2011, gross unrealized losses are concentrated within corporate debt securities which is composed of eight, single issuer, trust preferred securities with stated maturities. Such investments are less than 2% of the fair value of the entire investment portfolio. None of the corporate issuers have deferred paying dividends on their issued trust preferred shares in which the Corporation is invested. The fair values of these investments have been impacted by market conditions which have caused risk premiums to increase markedly, resulting in the significant decline in the fair value of the trust preferred securities Management believes the Corporation will fully recover the cost of these securities and it does not intend to sell these securities and it is not more likely than not that it will be required to sell them before the anticipated recovery of the remaining amortized cost basis, which may be maturity. As a result, Management concluded that these securities were not OTTI at June 30, 2011 and has recognized the total amount of the impairment in other comprehensive income, net of tax.

Realized Gains and Losses

The following table shows the proceeds from sales of available-for-sale- securities and the gross unrealized gains and losses on the sales of those securities that have been included in earnings as a result of those sales Gains or losses on the sales of available-for-sale securities are recognized upon sale and are determined using the specific identification method.

	Quarter ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Proceeds	$ 32,900	$ 487,905	$ 32,900	$ 500,006
Realized gains	$ 945	$ 1,602	$ 945	$ 1,602
Realized losses	(56)	(951)	(56)	(951)
Net securities gains	$ 889	$ 651	$ 889	$ 651

Contractual Maturity of Debt Securities

The following table shows the remaining contractual maturities and contractual yields of debt securities held-to-maturity and available-for-sale as of June 30, 2011. Estimated lives on mortgage-backed securities may differ from contractual maturities as issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

Table of Contents

	U.S. Government agency debentures	U.S. States and political subdivisions obligations	Residential mortgage-backed securities - U.S govt. agency obligations	Residential collateralized mortgage obligations - U.S. govt. agency obligations	Residential collateralized mortgage obligations - non - U.S. govt agency issued	Corporate debt securities	Total	Weighted Average Yield
Securities Available for Sale								
Remaining maturity								
One year or less	$ 259,805	$ 10,313	$ 4,067	$ 34,945	$ —	$ —	$ 309,130	1.35%
Over one year through five years	111,439	21,351	1,479,708	1,045,005	17,643	—	2,675,146	2.92%
Over five years through ten years	—	137,952	105,196	—	76,204	—	319,352	3.34%
Over ten years	—	140,169	—	—	—	50,723	190,892	4.55%
Fair Value	$ 371,244	$ 309,785	$ 1,588,971	$ 1,079,950	$ 93,847	$ 50,723	$ 3,494,520	2.92%
Amortized Cost	$ 370,649	$ 299,238	$ 1,528,537	$ 1,061,393	$ 93,733	$ 61,461	$ 3,415,011	
Weighted-Average Yield	0.74%	5.69%	3.45%	2.43%	0.62%	0.99%	2.92%	
Weighted-Average Maturity	0.7	9.1	3.3	2.8	5.9	16.3	3.7	
Securities Held to Maturity								
Remaining maturity								
One year or less	$ —	$ 27,770	$ —	$ —	$ —	$ —	$ 27,770	3.79%
Over one year through five years	—	14,507	—	—	—	—	14,507	3.79%
Over five years through ten years	—	3,780	—	—	—	—	3,780	3.79%
Over ten years	—	34,800	—	—	—	—	34,800	7.29%
Fair Value	$ —	$ 80,857	$ —	$ —	$ —	$ —	$ 80,857	5.30%
Amortized Cost	$ —	$ 80,857	$ —	$ —	$ —	$ —	$ 80,857	
Weighted-Average Yield		5.30%					5.30%	
Weighted-Average Maturity		7.4					7.4	

Table of Contents

4. Loans

Total non-covered and covered loans outstanding as of June 30, 2011, December 31, 2010 and June 30, 2010 were as follows:

	June 30, 2011	December 31, 2010	June 30, 2010
Commercial loans	$4,808,305	$4,527,497	$4,335,392
Mortgage loans	400,661	403,843	430,550
Installment loans	1,259,072	1,308,860	1,370,400
Home equity loans	738,719	749,378	762,288
Credit card loans	143,828	149,506	146,253
Leases	57,634	63,004	58,555
Total non-covered loans (a)	7,408,219	7,202,088	7,103,438
Allowance for noncovered loan losses	(109,187)	(114,690)	(118,343)
Net non-covered loans	7,299,032	7,087,398	6,985,095
Covered loans (b)	1,755,107	1,976,754	2,259,522
Allowance for covered loan losses	(33,360)	(13,733)	—
Net covered loans	1,721,747	1,963,021	2,259,522
Net loans	$9,020,779	$9,050,419	$9,244,617

(a) Includes acquired, non-covered loans of $192.2 million, $265.5 million, and $323.5 million as of June 30, 2011, December 31, 2010 and June 30, 2010, respectively.

(b) Includes loss share receivable of $239 million, $289 million and $344 million as of June 30, 2011, December 31, 2010 and June 30, 2010, respectively.

Originated loans are presented net of deferred loan origination fees and costs which amounted to $5.1 million, $3.6 million, and $1.7 million at June 30, 2011, December 31, 2010 and June 30, 2010, respectively. Acquired loans, including Covered Loans, are recorded at fair value as of the date of purchase with no allowance for loan loss. As discussed in Note 2 (Business Combinations), the Bank acquired loans with a fair value of $275.6 million on February 19, 2010 in its acquisition of the First Bank branches, and $177.8 million on February 19, 2010 and $1.8 billion on May 14, 2010 in conjunction with the FDIC-assisted acquisitions of George Washington and Midwest, respectively. The loans that were acquired in these FDIC-assisted transactions are covered by Loss Share Agreements which afford the Bank significant loss protection. Loans covered under Loss Share Agreements, including the amounts of expected reimbursements from the FDIC under these agreements, are reported as covered loans in the accompanying consolidated balance sheets.

Acquired Loans

The Corporation evaluates acquired loans for impairment in accordance with the provisions of ASC 310-30, *Loans and Debt Securities Acquired with Deteriorated Credit Quality* ("ASC 310-30"). Acquired loans are considered impaired if there is evidence of credit deterioration since origination and if it is probable that not all contractually required payments will be collected. Acquired impaired loans are not classified as nonperforming assets at June 30, 2011 as the loans are considered to be performing under ASC 310-30.

All loans acquired in the First Bank acquisition were performing as of the date of acquisition. The difference between the fair value and the outstanding principal balance of the First Bank acquired loans is being accreted to interest income over the remaining term of the loans.

Table of Contents

The Corporation has elected to account for all loans acquired in the George Washington and Midwest acquisitions under ASC 310-30 ("Acquired Impaired Loans") except for $162.6 million of acquired loans with revolving privileges, which are outside the scope of this guidance, and which are being accounted for in accordance with ASC 310 ("Acquired Non-Impaired Loans"). Interest income, through accretion of the difference between the carrying amount of the Acquired Impaired Loans and the expected cash flows, is recognized on all Acquired Impaired Loans. The difference between the fair value of the Acquired Non-Impaired Loans and their outstanding balances is being accreted to interest income over the remaining period the revolving lines are in effect. The outstanding balance, including contractual principal, interest, fees and penalties, of all covered loans accounted for in accordance with ASC 310-30 was $1.9 billion as of June 30, 2011.

The excess of an Acquired Impaired Loan's cash flows expected to be collected over the initial investment in the loan is represented by the accretable yield. An Acquired Impaired Loan's contractually required payments in excess of the amount of its cash flows expected to be collected are represented by its nonaccretable balance. The nonaccretable balance represents expected credit impairment on the loans and is only recognized in income if the payments on the loan exceed the recorded fair value of the loan. The majority of the nonaccretable balance on Acquired Impaired Loans is expected to be received through Loss Share Agreements and is recorded as part of the covered loans in the balance sheet.

Over the life of the Acquired Impaired Loans, the Corporation continues to estimate cash flows expected to be collected, which includes the effects of estimated prepayments. The Corporation assesses impairment of Acquired Impaired Loans at each balance sheet date by comparing the net present value of updated cash flows (discounted by the effective yield calculated at the end of the previous accounting period) to the recorded book value. For any increases in cash flows expected to be collected, the Corporation adjusts the amount of accretable yield recognized on a prospective basis over the Acquired Impaired Loan's or pool's remaining life. To the extent impairment exists, an allowance for loan loss is established through a charge to provision for loan loss. See Note 5 (Allowance for Loan Losses) for further information.

Changes in the carrying amount of accretable yield for Acquired Impaired Loans were as follows for the quarters and six months ended June 30, 2011 and 2010 and the year ended December 31, 2010:

	Three months ended				Year ended		Six months ended			
	June 30, 2011		June 30, 2010		December 31, 2010		June 30, 2011		June 30, 2010	
	Accretable Yield	Carrying Amount of Loans	Accretable Yield	Carrying Amount of Loans	Accretable Yield	Carrying Amount of Loans	Accretable Yield	Carrying Amount of Loans	Accretable Yield	Carrying Amount of Loans
Balance at beginning of period	$212,447	$1,425,758	$ 23,307	$ 152,224	$ —	$ —	$227,652	$1,512,817	$ —	$ —
Loans acquired			236,031	1,640,528	260,751	1,794,593	—	—	260,751	1,794,593
Accretion	(34,237)	34,237	(16,843)	16,843	(83,782)	83,782	(70,124)	70,124	(17,906)	17,906
Net Reclassifications from non-accretable to accretable	18,711	—	(333)	—	52,253	—	39,958	—	(634)	—
Payments, received, net	—	(122,074)	—	(71,093)	—	(365,558)	—	(245,020)	—	(73,997)
Disposals	(396)	—	(235)	—	(1,570)	—	(961)	—	(284)	—
Balance at end of period	$196,525	$1,337,921	$241,927	$1,738,502	$227,652	$1,512,817	$196,525	$1,337,921	$241,927	$1,738,502

Amortization of the loss share receivable for acquired loans is recognized through interest income and was $9.9 million for the three months ended June 30, 2011 and $21.5 million for the six months ended June 30, 2011.

Table of Contents

Credit Quality Disclosures

The quality of the Corporation's loan portfolios is assessed as a function of net credit losses, levels of nonperforming assets and delinquencies, and credit quality ratings as defined by the Corporation. These credit quality ratings are an important part of the Corporation's overall credit risk management process and evaluation of the allowance for credit losses (see Note 5 Allowance for Loan Losses).

Generally, loans, except for certain commercial, credit card and mortgage loans, and leases on which payments are past due for 90 days are placed on nonaccrual status, unless those loans are in the process of collection and, in Management's opinion, are fully secured. Credit card loans on which payments are past due for 120 days are placed on nonaccrual status When a loan is placed on nonaccrual status, interest deemed uncollectible which had been accrued in prior years is charged against the allowance for loan losses and interest deemed uncollectible accrued in the current year is reversed against interest income. Interest on mortgage loans is accrued until Management deems it uncollectible based upon the specific identification method. Payments subsequently received on nonaccrual loans are generally applied to principal. A loan is returned to accrual status when principal and interest are no longer past due and collectability is probable. This generally requires timely principal and interest payments for a minimum of six consecutive payment cycles. Loans are generally written off when deemed uncollectible or when they reach a predetermined number of days past due depending upon loan product, terms, and other factors.

The following tables provide a summary of loans by portfolio type, including the delinquency status of those loans that continue to accrue interest and those loans that are nonaccrual.

Table of Contents

As of June 30, 2011								
	Days Past Due			Total		Total	≥ 90 Days Past Due and	Nonaccrual
Legacy Loans	30-59	60-89	≥ 90	Past Due	Current	Loans	Accruing	Loans
Commercial								
C&I	$ 3,415	$ 6,346	$ 3,102	$ 12,863	$ 2,402,784	$ 2,415,647	$ 202	$ 5,168
CRE	8,286	4,848	42,535	55,669	1,917,646	1,973,315	1,900	47,164
Construction	529	2,091	10,150	12,770	240,609	253,379	31	10,495
Leases	—	—	—	—	57,634	57,634	—	—
Consumer								
Installment	9,636	3,243	5,055	17,934	1,238,299	1,256,233	739	787
Home Equity Lines	2,086	835	571	3,492	713,297	716,789	571	938
Credit Cards	915	496	797	2,208	141,620	143,828	349	563
Residential Mortgages	9,559	1,560	8,129	19,248	379,942	399,190	3,715	6,663
Total	$ 34,426	$ 19,419	$ 70,339	$ 124,184	$ 7,091,831	$ 7,216,015	$ 7,507	$ 71,778

	Days Past Due			Total		Total	≥ 90 Days Past Due and	Nonaccrual
Acquired Loans (Noncovered)	30-59	60-89	≥ 90	Past Due	Current	Loans	Accruing	Loans
Commercial								
C&I	$ 177	$ 169	$ 68	$ 414	$ 53,807	$ 54,221	$ —	$ 68
CRE	4,110	309	3,676	8,095	103,648	111,743	2,883	793
Consumer								
Installment	3	70	15	88	2,751	2,839	15	—
Home Equity Lines	140	—	19	159	21,771	21,930	19	—
Residential Mortgages	62	—	—	62	1,409	1,471	—	—
Total	$ 4,492	$ 548	$ 3,778	$ 8,818	$ 183,386	$ 192,204	$ 2,917	$ 861

	Days Past Due			Total		Total	≥ 90 Days Past Due and	Nonaccrual
Covered Loans (a)	30-59	60-89	≥ 90	Past Due	Current	Loans	Accruing(b)	Loans(b)
Commercial								
C&I	$ 4,969	$ 7,569	$ 39,501	$ 52,039	$ 184,482	$ 236,521		
CRE	27,684	35,750	205,958	269,392	660,039	929,431		
Construction	139	673	73,265	74,077	27,841	101,918		
Consumer								
Installment	41	33	2,074	2,148	9,379	11,527		
Home Equity Lines	1,174	1,428	403	3,005	148,961	151,966		
Residential Mortgages	17,105	1,278	9,809	28,192	56,128	84,320		
Total	$ 51,112	$ 46,731	$ 331,010	$ 428,853	$ 1,086,830	$ 1,515,683		

(a) Excludes loss share receivable of $239 million as of June 30, 2011.

(b) Acquired impaired loans were not classified as nonperforming assets at June 30, 2011 as the loans are considered to be performing under ASC 310-30. As a result interest income, through the accretion of the difference between the carrying amount of the loans and the expected cash flows, is being recognized on all acquired impaired loans. These asset quality disclosures are, therefore, not applicable to acquired impaired loans.

Table of Contents

As of December 31, 2010

Legacy Loans	Days Past Due 30-59	60-89	≥ 90	Total Past Due	Current	Total Loans	≥ 90 Days Past Due and Accruing	Nonaccrual Loans
Commercial								
C&I	$ 5,280	$ 7,592	$ 12,553	$ 25,425	$ 1,960,404	$ 1,985,829	$ 4,692	$ 8,368
CRE	10,801	3,832	58,977	73,610	1,953,710	2,027,320	1,908	65,096
Construction	1,490	1,777	18,639	21,906	255,253	277,159	2,795	16,364
Leases	—	—	—	—	63,004	63,004	—	—
Consumer								
Installment	14,486	4,491	7,059	26,036	1,279,307	1,305,343	1,929	3,724
Home Equity Lines	2,500	755	744	3,999	722,351	726,350	744	72
Credit Cards	1,570	975	1,337	3,882	145,624	149,506	371	966
Residential Mortgages	10,574	1,665	14,815	27,054	375,022	402,076	8,768	10,004
Total	$ 46,701	$ 21,087	$ 114,124	$ 181,912	$ 6,754,675	$ 6,936,587	$ 21,207	$ 104,594

Acquired Loans (Noncovered)	Days Past Due 30-59	60-89	≥ 90	Total Past Due	Current	Total Loans	≥ 90 Days Past Due and Accruing	Nonaccrual Loans
Commercial								
C&I	$ 1,939	$ 511	$ 703	$ 3,153	$ 92,995	$ 96,148	$ 703	$ —
CRE	493	16,650	38	17,181	123,860	141,041	38	—
Consumer								
Installment	40	16	23	79	3,438	3,517	23	—
Home Equity Lines	105	24	46	175	22,853	23,028	46	—
Residential Mortgages	65	—	—	65	1,702	1,767	—	93
Total	$ 2,642	$ 17,201	$ 810	$ 20,653	$ 244,848	$ 265,501	$ 810	$ 93

Covered Loans (a)	Days Past Due 30-59	60-89	≥ 90	Total Past Due	Current	Total Loans	≥ 90 Days Past Due and Accruing(b)	Nonaccrual Loans(b)
Commercial								
C&I	$ 5,509	$ 2,911	$ 70,588	$ 79,008	$ 180,186	$ 259,194		
CRE	29,241	16,761	208,820	254,822	763,393	1,018,215		
Construction	2,179	2,458	83,969	88,606	28,564	117,170		
Consumer								
Installment	667	493	36	1,196	10,327	11,523		
Home Equity Lines	1,476	738	443	2,657	183,277	185,934		
Residential Mortgages	14,975	3,625	12,320	30,920	65,193	96,113		
Total	$ 54,047	$ 26,986	$ 376,176	$ 457,209	$ 1,230,940	$ 1,688,149		

(a) *Excludes loss share receivable of $289 million as of December 31, 2010.*

(b) Acquired impaired loans were not classified as nonperforming assets at December 31, 2010 as the loans are considered to be performing under ASC 310-30. As a result interest income, through the accretion of the difference between the carrying amount of the loans and the expected cash flows, is being recognized on all acquired impaired loans. These asset quality disclosures are, therefore, not applicable to acquired impaired loans.

At June 30, 2010, the investment in nonaccrual (non-covered) loans was $98.9 million, and loans past due 90 days or more and accruing interest was $36.9 million.

Individual commercial loans are assigned credit risk grades based on an internal assessment of conditions that affect a borrower's ability to meet its contractual obligation under the loan agreement. The assessment process includes reviewing a borrower's current financial information, historical payment experience, credit documentation, public information, and other information specific to each borrower.

Table of Contents

Commercial loans are reviewed on an annual, quarterly or rotational basis or as Management become aware of information during a borrower's ability to fulfill its obligation.

The credit-risk grading process for commercial loans is summarized as follows:

"Pass" Loans (Grades 1, 2, 3, 4) are not considered a greater than normal credit risk. Generally, the borrowers have the apparent ability to satisfy obligations to the bank, and the Corporation anticipates insignificant uncollectible amounts based on its individual loan review.

"Special-Mention" Loans (Grade 5) are commercial loans that have identified potential weaknesses that deserve Management's close attention. If left uncorrected, these potential weaknesses may result in noticeable deterioration of the repayment prospects for the asset or in the institution's credit position.

"Substandard" Loans (Grade 6) are inadequately protected by the current financial condition and paying capacity of the obligor or by any collateral pledged. Loans so classified have a well-defined weakness or weaknesses that may jeopardize the liquidation of the debt pursuant to the contractual principal and interest terms. Such loans are characterized by the distinct possibility that the Corporation may sustain some loss if the deficiencies are not corrected.

"Doubtful" Loans (Grade 7) have all the weaknesses inherent in those classified as substandard, with the added characteristic that existing facts, conditions, and values make collection or liquidation in full highly improbable. Such loans are currently managed separately to determine the highest recovery alternatives.

"Loss" Loans (Grade 8) are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. These loans are charged off when loss is identified.

The following tables provide a summary of loans by portfolio type and the Corporation's internal credit quality rating:

Table of Contents

As of June 30, 2011

Legacy Loans	Commercial C&I	Commercial CRE	Commercial Construction	Commercial Leases
Grade 1	$ 47,596	$ 10,844	$ 1,361	$ —
Grade 2	98,521	2,786	—	—
Grade 3	439,392	231,142	25,797	4,451
Grade 4	1,743,893	1,510,966	198,203	53,177
Grade 5	41,771	90,629	7,027	—
Grade 6	44,474	126,796	20,991	6
Grade 7	—	152	—	—
Grade 8	—	—	—	—
	$2,415,647	$1,973,315	$ 253,379	$ 57,634

	Consumer Installment	Consumer Home Equity Lines	Consumer Credit Cards	Consumer Residential Mortgages
Current	$1,238,299	$ 713,297	$ 141,620	$ 379,942
30-59 Days Past Due	9,636	2,086	915	9,559
60-89 Days Past Due	3,243	835	496	1,560
≥ 90 Days Past Due	5,055	571	797	8,129
	$1,256,233	$ 716,789	$ 143,828	$ 399,190

Acquired Loans (Noncovered)	Commercial C&I	Commercial CRE	Commercial Construction	Commercial Leases
Grade 1	$ —	$ —	$ —	$ —
Grade 2	—	—	—	—
Grade 3	335	1,977	—	—
Grade 4	52,235	105,292	—	—
Grade 5	863	—	—	—
Grade 6	788	4,474	—	—
Grade 7	—	—	—	—
Grade 8	—	—	—	—
	$ 54,221	$ 111,743	$ —	$ —

	Consumer Installment	Consumer Home Equity Lines	Consumer Credit Cards	Consumer Residential Mortgages
Current	$ 2,751	$ 21,771	$ —	$ 1,409
30-59 Days Past Due	3	140	—	62
60-89 Days Past Due	70	—	—	—
≥ 90 Days Past Due	15	19	—	—
	$ 2,839	$ 21,930	$ —	$ 1,471

Covered Loans	Commercial C&I	Commercial CRE	Commercial Construction	Commercial Leases
Grade 1	$ 923	$ —	$ —	$ —
Grade 2	445	—	—	—
Grade 3	4,033	2,659	—	—
Grade 4	98,395	378,213	4,679	—
Grade 5	45,824	191,595	2,551	—
Grade 6	85,410	341,158	84,576	—
Grade 7	1,491	15,806	10,112	—
Grade 8	—	—	—	—
	$ 236,521	$ 929,431	$ 101,918	$ —

	Consumer Installment	Consumer Home Equity Lines	Consumer Credit Cards	Consumer Residential Mortgages
Current	$ 9,379	$ 148,961	$ —	$ 56,128
30-59 Days Past Due	41	1,174	—	17,105
60-89 Days Past Due	33	1,428	—	1,278
≥ 90 Days Past Due	2,074	403	—	9,809
	$ 11,527	$ 151,966	$ —	$ 84,320

Table of Contents

As of December 31, 2010

Legacy Loans	Commercial C&I	Commercial CRE	Commercial Construction	Commercial Leases
Grade 1	$ 66,802	$ 13,387	$ 3,301	$ 8,069
Grade 2	64,740	4,462	6,700	—
Grade 3	260,351	278,274	39,986	11,414
Grade 4	1,476,930	1,486,620	188,949	43,210
Grade 5	61,284	87,155	8,055	311
Grade 6	55,720	157,422	30,168	—
Grade 7	2	—	—	—
Grade 8	—	—	—	—
	$ 1,985,829	$ 2,027,320	$ 277,159	$ 63,004

	Consumer Installment	Consumer Home Equity Lines	Consumer Credit Cards	Consumer Residential Mortgages
Current	$ 1,279,307	$ 722,351	$ 145,624	$ 375,022
30-59 Days Past Due	14,486	2,500	1,570	10,574
60-89 Days Past Due	4,491	755	975	1,665
≥ 90 Days Past Due	7,059	744	1,337	14,815
	$ 1,305,343	$ 726,350	$ 149,506	$ 402,076

Acquired Loans (Noncovered)	Commercial C&I	Commercial CRE	Commercial Construction	Commercial Leases
Grade 2	—	—	—	—
Grade 3	451	5,934	—	—
Grade 4	95,392	133,613	—	—
Grade 5	5	—	—	—
Grade 6	300	1,494	—	—
Grade 7	—	—	—	—
Grade 8	—	—	—	—
	$ 96,148	$ 141,041	$ —	$ —

	Consumer Installment	Consumer Home Equity Lines	Consumer Credit Cards	Consumer Residential Mortgages
Current	$ 3,438	$ 22,853	$ —	$ 1,702
30-59 Days Past Due	40	105	—	65
60-89 Days Past Due	16	24	—	—
≥ 90 Days Past Due	23	46	—	—
	$ 3,517	$ 23,028	$ —	$ 1,767

Covered Loans	Commercial C&I	Commercial CRE	Commercial Construction	Commercial Leases
Grade 1	$ 641	$ —	$ —	$ —
Grade 2	—	—	—	—
Grade 3	3,045	1,337	—	—
Grade 4	111,792	430,553	4,262	—
Grade 5	63,624	221,020	3,260	—
Grade 6	67,253	317,134	69,998	—
Grade 7	12,839	48,171	39,650	—
Grade 8	—	—	—	—
	$ 259,194	$ 1,018,215	$ 117,170	$ —

	Consumer Installment	Consumer Home Equity Lines	Consumer Credit Cards	Consumer Residential Mortgages
Current	$ 10,327	$ 183,277	$ —	$ 65,193
30-59 Days Past Due	667	1,476	—	14,975
60-89 Days Past Due	493	738	—	3,625
≥ 90 Days Past Due	36	443	—	12,320
	$ 11,523	$ 185,934	$ —	$ 96,113

Table of Contents

5. Allowance for loan losses

The Corporation's Credit Policy Division manages credit risk by establishing common credit policies for its subsidiary bank, participating in approval of its loans, conducting reviews of loan portfolios, providing centralized consumer underwriting, collections and loan operation services, and overseeing loan workouts. The Corporation's objective is to minimize losses from its commercial lending activities and to maintain consumer losses at acceptable levels that are stable and consistent with growth and profitability objectives.

The allowance for loan losses is Management's estimate of the amount of probable credit losses inherent in the portfolio at the balance sheet date. Management estimates credit losses based on individual loans determined to be impaired and on all other loans grouped based on similar risk characteristics. Management also considers internal and external factors such as economic conditions, loan management practices, portfolio monitoring, and other risks, collectively known as qualitative factors or Q-factors, to estimate credit losses in the loan portfolio. Q-factors are used to reflect changes in the portfolio's collectability characteristics not captured by historical loss data.

The Corporation's historical loss component is the most significant of the allowance for loan losses components and is based on historical loss experience by credit-risk grade (for commercial loan pools) and payment status (for mortgage and consumer loan pools). Balances by credit-risk grade and payment status, as well as descriptions of the credit-risk grades are included in Note 4 (Loans). The historical loss experience component of the allowance for loan losses represents the results of migration analysis of historical net charge-offs for portfolios of loans (including groups of commercial loans within each credit-risk grade and groups of consumer loans by payment status). For measuring loss exposure in a pool of loans, the historical net charge-off or migration experience is utilized to estimate expected losses to be realized from the pool of loans.

If a nonperforming, substandard loan has an outstanding balance of $0 3 million or greater or if a doubtful loan has an outstanding balance of $0 1 million or greater, as determined by the Corporation's credit-risk grading process, further analysis is performed to determine the probable loss content and assign a specific allowance to the loan, if deemed appropriate. The allowance for loan losses relating to originated loans that have become impaired is based on either expected cash flows discounted using the original effective interest rate, the observable market price, or the fair value of the collateral for certain collateral dependent loans. To the extent credit deterioration occurs on purchased loans after the date of acquisition, the Corporation records an allowance for loan losses, net of any expected reimbursement under any loss sharing agreements with the FDIC.

The activity within the allowance for loan loss for noncovered loans, by portfolio type, for the quarter and six months ended June 30, 2011 is shown in the following table:

Table of Contents

For the quarter ended June 30, 2011

Legacy Loans	C&I	CRE	Construction	Leases	Installment	Home Equity Lines	Credit Cards	Residential Mortgages	Total
Beginning Balance	$ 31,649	$ 33,128	$ 7,639	$ 480	$ 20,709	$ 6,883	$ 8,712	$ 5,490	$ 114,690
Charge-offs	(4,274)	(2,608)	(1,337)	(127)	(6,202)	(2,762)	(2,297)	(1,351)	(20,958)
Recoveries	188	47	293	2	3,718	483	557	29	5,317
Provision	803	2,379	1,281	(2)	(136)	2,538	1,431	1,844	10,138
Ending Balance	$ 28,366	$ 32,946	$ 7,876	$ 353	$ 18,089	$ 7,142	$ 8,403	$ 6,012	$ 109,187
Ending Balance. Individually Evaluated	$ 290	$ 3,169	$ 1,038	$ —	$ 662	$ 20	$ 28	$ 1,209	$ 6,416
Ending Balance. Collectively Evaluated	$ 28,076	$ 29,777	$ 6,838	$ 353	$ 17,427	$ 7,122	$ 8,375	$ 4,803	$ 102,771
Loans:									
Ending Balance	$2,415,647	$1,973,315	$ 253,379	$57,634	$1,256,233	$ 716,789	$143,828	$ 399,190	$7,216,015
Ending Balance: Individually Evaluated	$ 3,573	$ 45,008	$ 9,407	$ —	$ 15,703	$ 1,242	$ 2,453	$ 14,851	$ 92,237
Ending Balance: Collectively Evaluated	$2,412,074	$1,928,307	$ 243,972	$57,634	$1,240,530	$ 715,547	$141,375	$ 384,339	$7,123,778

For the six months ended June 30, 2011

Legacy Loans	C&I	CRE	Construction	Leases	Installment	Home Equity Lines	Credit Cards	Residential Mortgages	Total
Beginning Balance	$ 29,764	$ 32,026	$ 7,180	$ 475	$ 21,555	$ 7,217	$ 11,107	$ 5,366	$ 114,690
Charge-offs	(8,989)	(4,459)	(2,695)	(127)	(14,293)	(5,577)	(4,615)	(3,015)	(43,770)
Recoveries	714	48	374	34	7,437	1,182	1,204	118	11,111
Provision	6,877	5,331	3,017	(29)	3,390	4,320	707	3,543	27,156
Ending Balance	$ 28,366	$ 32,946	$ 7,876	$ 353	$ 18,089	$ 7,142	$ 8,403	$ 6,012	$ 109,187
Ending Balance: Individually Evaluated	$ 290	$ 3,169	$ 1,038	$ —	$ 662	$ 20	$ 28	$ 1,209	$ 6,416
Ending Balance: Collectively Evaluated	$ 28,076	$ 29,777	$ 6,838	$ 353	$ 17,427	$ 7,122	$ 8,375	$ 4,803	$ 102,771
Loans:									
Ending Balance	$2,415,647	$1,973,315	$ 253,379	$57,634	$1,256,233	$ 716,789	$143,828	$ 399,190	$7,216,015
Ending Balance Individually Evaluated	$ 3,573	$ 45,008	$ 9,407	$ —	$ 15,703	$ 1,242	$ 2,453	$ 14,851	$ 92,237
Ending Balance Collectively Evaluated	$2,412,074	$1,928,307	$ 243,972	$57,634	$1,240,530	$ 715,547	$141,375	$ 384,339	$7,123,778

The activity within the allowance for loan loss for noncovered loans for the year ended December 31, 2010 and the quarter and six months ended June 30, 2010 is shown in the following table

Table of Contents

Allowance for Noncovered Loan Losses	Quarter ended June 30, 2010	Six months ended June 30, 2010	Year ended December 31, 2010
Balance at beginning of period	$ 117,806	$ 115,092	$ 115,092
Loans charged off:			
C&I, CRE and Construction	6,942	15,837	39,766
Residential mortgages	1,395	3,041	5,156
Installment	8,430	17,235	34,054
Home equity lines	2,761	4,831	7,912
Credit cards	4,010	8,178	13,577
Leases	617	637	896
Overdrafts	812	1,403	3,171
Total charge-offs	24,967	51,162	104,532
Recoveries:			
C&I, CRE and Construction	430	802	1,952
Residential mortgages	38	63	263
Installment	3,081	5,098	13,047
Home equity lines	444	701	1,599
Credit cards	608	1,081	2,199
Manufactured housing	55	86	156
Leases	229	238	267
Overdrafts	253	485	864
Total recoveries	5,138	8,554	20,347
Net charge-offs	19,829	42,608	84,185
Provision for loan losses	20,366	45,859	83,783
Balance at end of period	$ 118,343	$ 118,343	$ 114,690

To the extent there is a decrease in the present value of cash flows from Acquired Impaired Loans after the date of acquisition, the Corporation records an allowance for loan losses, net of expected reimbursement under any Loss Share Agreements These expected reimbursements are recorded as part of covered loans in the accompanying consolidated balance sheets. During the quarter ended June 30, 2011, the Corporation increased its allowance for covered loan losses to $33.4 million to reserve for estimated additional losses on certain Acquired Impaired Loans. The increase in the allowance from the prior quarter ended March 31, 2011 was recorded by a charge to the provision for covered loan losses of $15.2 million and an increase of $7.7 million in the loss share receivable for the portion of the losses recoverable under the Loss Share Agreements.

To the extent credit deterioration occurs in Acquired Non-Impaired loans after the date of acquisition, the Corporation records a provision for loan losses only when the required allowance, net of any expected reimbursement under the Loss Share Agreements exceeds any remaining credit discount. The Corporation recognized a provision for loan losses on Acquired Non-Impaired Loans of $0.9 million in the quarter ended June 30, 2011.

Table of Contents

The activity within the allowance for loan loss for covered loans for the quarters and six months ended June 30, 2011 and 2010 and the year ended December 31, 2010 is shown in the following table.

	Quarter ended June 30,		Six months ended June 30,		Year ended December 31,
	2011	2010	2011	2010	2010
Balance at beginning of the period	$ 28,405	$ —	$ 13,733	$ —	$ —
Provision for loan losses before benefit attributable to FDIC loss share agreements	15,156	461	35,666	461	27,184
Benefit attributable to FDIC loss share agreements	(7,675)	(193)	(22,854)	(193)	(22,752)
Net provision for loan losses, covered	7,481	268	12,812	268	4,432
Increase in indemnification asset	7,675	193	22,854	193	22,752
Loans charged-off	(10,201)	(220)	(16,039)	(220)	(13,451)
Balance at end of the period	$ 33,360	$ 241	$ 33,360	$ 241	$ 13,733

Credit Quality Disclosures

A loan is considered to be impaired when, based on current events or information, it is probable the Corporation will be unable to collect all amounts due (principal and interest) per the contractual terms of the loan agreement. Impaired loans include all nonaccrual commercial, agricultural, construction, and commercial real estate loans, and loans modified as troubled debt restructurings ("TDRs") Aggregated consumer loans, mortgage loans, and leases classified as nonaccrual are excluded from impaired loans Loan impairment for all loans is measured based on either the present value of expected future cash flows discounted at the loan's effective interest rate, at the observable market price of the loan, or the fair value of the collateral for certain collateral dependent loans.

In certain circumstances, the Corporation may modify the terms of a loan to maximize the collection of amounts due when a borrower is experiencing financial difficulties or is expected to experience difficulties in the near-term. In most cases the modification is either a concessionary reduction in interest rate, extension of the maturity date or modification of the adjustable rate provisions of the loan that would otherwise not be considered. Concessionary modifications are classified TDRs unless the modification is short-term, typically less than 90 days. TDRs accrue interest if the borrower complies with the revised terms and conditions and has demonstrated repayment performance at a level commensurate with the modified terms for a minimum of six consecutive payment cycles after the restructuring date.

Acquired loans restructured after acquisition are not considered TDRs for purposes of the Corporation's accounting and disclosure if the loans evidenced credit deterioration as of the acquisition date and are accounted for in pools. The Corporation has modified certain loans according to provisions in Loss Share Agreements. Losses associated with modifications on these loans, including the economic impact of interest rate reductions, are generally eligible for reimbursement under the Loss Share Agreements. As of June 30, 2011 and December 31, 2010, TDRs on Acquired Impaired Loans were $51.0 million and $37.2 million, respectively. There were no TDRs on Acquired Impaired loans as of June 30, 2010

Included in certain loan categories in the tables below are TDRs, excluding TDRs on Acquired Impaired Loans, of $41.9 million, $46.8 million and $61.4 million as of June 30, 2011, December 31, 2010 and June 30, 2010, respectively. The Corporation's TDR portfolio, excluding Covered Loans, is predominately composed of consumer installment loans, first and second lien residential mortgages and home equity lines of credit. The Corporation restructures residential mortgages in a variety of ways to help its clients remain in their homes and to mitigate the potential for additional losses. The primary restructuring methods being offered to residential

Table of Contents

clients are reductions in interest rates and extensions in terms. Modifications of mortgages retained in portfolio are handled using proprietary modification guidelines, or the FDIC's Modification Program for residential first mortgages covered by Loss Share Agreements. The Corporation participates in the U.S. Treasury's Home Affordable Modification Program for originated mortgages sold to and serviced for Fannie Mae and Freddie Mac.

A summary of impaired noncovered loans is shown in the following tables as of June 30, 2011 and December 31, 2010, respectively.

As of June 30, 2011	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
Loans with no related allowance				
Commercial				
C&I	$ 1,985	$ 4,467	$ —	$ 2,513
CRE	31,986	43,575	—	33,799
Construction	4,838	9,109	—	4,919
Consumer				
Installment	—	—	—	—
Home equity line	—	—	—	—
Credit card	—	—	—	—
Residential mortgages	2,654	3,966	—	2,673
Loans with a related allowance				
Commercial				
C&I	$ 1,588	$ 2,010	$ 290	$ 1,588
CRE	13,022	18,600	3,169	13,566
Construction	4,569	7,181	1,038	4,591
Consumer				
Installment	15,703	15,724	662	15,794
Home equity line	1,242	1,242	20	1,256
Credit card	2,453	2,453	28	2,524
Residential mortgages	12,197	12,284	1,209	12,206
Total				
Commercial	$ 57,988	$ 84,942	$ 4,497	$ 60,976
Consumer	34,249	35,669	1,919	34,453
Total impaired loans	$ 92,237	$ 120,611	$ 6,416	$ 95,429

Table of Contents

As of December 31, 2010	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
Loans with no related allowance				
Commercial				
C&I	$ 12,172	$ 15,045	$ —	$ 12,816
CRE	34,003	40,619	—	35,238
Construction	10,120	14,710	—	10,833
Consumer				
Installment	17,146	17,164	—	17,313
Home equity line	1,747	1,747	—	1,764
Credit card	3,081	3,081	—	2,926
Residential mortgages	1,992	2,765	—	2,027
Loans with a related allowance				
Commercial				
C&I	$ —	$ —	$ —	$ —
CRE	30,792	37,767	3,852	33,172
Construction	7,585	11,423	1,588	8,928
Consumer				
Installment	—	—	—	—
Home equity line	—	—	—	—
Credit card	—	—	—	—
Residential mortgages	9,705	9,776	741	9,713
Total				
Commercial	$ 94,672	$ 119,564	$ 5,440	$ 100,987
Consumer	33,671	34,533	741	33,743
Total loans	$ 128,343	$ 154,097	$ 6,181	$ 134,730

As of June 30, 2010, there was $73.9 million in impaired loans with an associated allowance of $9.6 million.

Interest income recognized on impaired loans during the quarters and six months ended June 30, 2011 and 2010 was not material.

6. Goodwill and Intangible Assets

Goodwill

Goodwill totaled $460.0 million at June 30, 2011, December 31, 2010, and June 30, 2010. Goodwill of $272 1 million, which reflects prior period purchase accounting adjustments, was acquired in the second quarter of 2010 in the FDIC assisted acquisition of Midwest.

The Corporation expects $43 5 million of the $48.3 million of goodwill acquired in the First Bank branches acquisition and all of the goodwill acquired in the Midwest acquisition to be deductible for tax purposes.

Table of Contents

Goodwill was not recognized in the 2010 acquisition of George Washington. These acquisitions are more fully described in Note 2 (Business Combinations)

Other Intangible Assets

The following tables show the gross carrying amount and the amount of accumulated amortization of intangible assets subject to amortization.

	June 30, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Core deposit intangibles	$ 16,760	$ (7,850)	$ 8,910
Non-compete covenant	102	(38)	64
Lease intangible	617	(266)	351
	$ 17,479	$ (8,154)	$ 9,325

	December 31, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Core deposit intangibles	$ 16,760	$ (6,871)	$ 9,889
Non-compete covenant	102	(25)	77
Lease covenant	617	(172)	445
	$ 17,479	$ (7,068)	$ 10,411

	June 30, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Core deposit intangibles	$ 16,760	$ (4,966)	$ 11,794
Non-compete covenant	102	(13)	89
Lease covenant	617	(78)	539
	$ 17,479	$ (5,057)	$ 12,422

In the quarter ended June 30, 2010, a core deposit intangible asset of $7.4 million was recognized as a result of the Midwest acquisition. Core deposit intangible assets are amortized on an accelerated basis over their useful lives of ten years.

This acquisition is more fully described in Note 2 (Business Combinations).

Intangible asset amortization expense was $0.5 million and $0.7 million for the three months ended June 30, 2011 and 2010, respectively. Estimated amortization expense for each of the next five years is as follows: 2011 — $1.1 million; 2012 — $1 9 million, 2013 — $1.2 million; 2014 — $1.1 million; and 2015 — $1.0 million.

Table of Contents

7. Earnings per share

The reconciliation between basic and diluted earnings per share ("EPS") is calculated using the treasury stock method and presented as follows:

	Quarter ended		Six months ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
BASIC EPS:				
Net income available to common shareholders	$ 29,763	$ 31,493	$ 57,324	$ 46,883
Average common shares outstanding	109,138	98,968	108,954	93,400
Net income per share — basic	$ 0.27	$ 0.32	$ 0.53	$ 0.50
DILUTED EPS:				
Net income available to common shareholders	$ 29,763	$ 31,493	$ 57,324	$ 46,883
Add: interest expense on convertible bonds	—	—	—	—
	$ 29,763	$ 31,493	$ 57,324	$ 46,883
Avg common shares outstanding	109,138	98,968	108,954	93,400
Add: Equivalents from stock options and restricted stock	1	1	1	3
Add: Equivalents-convertible bonds	—	—	—	—
Average common shares and equivalents outstanding	109,139	98,969	108,955	93,403
Net income per common share — diluted	$ 0.27	$ 0.32	$ 0.53	$ 0.50

For the quarters ended June 30, 2011 and 2010 options to purchase 3.4 million and 4.6 million shares, respectively, were outstanding, but not included in the computation of diluted earnings per share because they were antidilutive.

During the quarter ended June 30, 2010, the Corporation closed and completed the sale of a total of 17,600,160 common shares at $19.00 per share in a public underwritten offering. The net proceeds from the offering were approximately $320.1 million after deducting underwriting discounts and commissions and the estimated expenses of the offering paid by the Corporation.

8. Segment Information

Management monitors the Corporation's results by an internal performance measurement system, which provides lines of business results and key performance measures. The profitability measurement system is based on internal Management methodologies designed to produce consistent results and reflect the underlying economics of the businesses. The development and application of these methodologies is a dynamic process. Accordingly, these measurement tools and assumptions may be revised periodically to reflect methodological, product, and/or management organizational changes. Further, these tools measure financial results that support the strategic objectives and internal organizational structure of the Corporation. Consequently, the information presented is not necessarily comparable with similar information for other financial institutions

Table of Contents

A description of each line of business, selected financial performance, and the methodologies used to measure financial performance are presented below.

- *Commercial* — The commercial line of business provides a full range of lending, depository, and related financial services to middle-market corporate, industrial, financial, business banking (formerly known as small business), public entities, and leasing clients. Commercial also includes personal business from commercial loan clients in coordination with the Wealth Management segment. Products and services offered include commercial term loans, revolving credit arrangements, asset-based lending, leasing, commercial mortgages, real estate construction lending, letters of credit, cash management services and other depository products
- *Retail* — The retail line of business includes consumer lending and deposit gathering, residential mortgage loan origination and servicing, and branch-based small business banking (formerly known as the "micro business" line). Retail offers a variety of retail financial products and services including consumer direct and indirect installment loans, debit and credit cards, debit gift cards, residential mortgage loans, home equity loans and lines of credit, deposit products, fixed and variable annuities and ATM network services. Deposit products include checking, savings, money market accounts and certificates of deposit.
- *Wealth* — The wealth line of business offers a broad array of asset management, private banking, financial planning, estate settlement and administration, credit and deposit products and services. Trust and investment services include personal trust and planning, investment management, estate settlement and administration services. Retirement plan services focus on investment management and fiduciary activities. Brokerage and insurance delivers retail mutual funds, other securities, variable and fixed annuities, personal disability and life insurance products and brokerage services. Private banking provides credit, deposit and asset management solutions for affluent clients.
- *Other* — The other line of business includes activities that are not directly attributable to one of the three principal lines of business. Included in the Other category are the parent company, eliminations companies, community development operations, the treasury group, which includes the securities portfolio, wholesale funding and asset liability management activities, and the economic impact of certain assets, capital and support function not specifically identifiable with the three primary lines of business.

The accounting policies of the lines of businesses are the same as those of the Corporation described in Note 1 (Summary of Significant Accounting Policies) to the 2010 Form 10-K. Funds transfer pricing is used in the determination of net interest income by assigning a cost for funds used or credit for funds provided to assets and liabilities within each business unit. Assets and liabilities are match-funded based on their maturity, prepayment and/or re-pricing characteristics. As a result, the three primary lines of business are generally insulated from changes in interest rates. Changes in net interest income due to changes in rates are reported in Other by the treasury group. Capital has been allocated on an economic risk basis. Loans and lines of credit have been allocated capital based upon their respective credit risk. Asset management holdings in the Wealth segment have been allocated capital based upon their respective market risk related to assets under management. Normal business operating risk has been allocated to each line of business by the level of noninterest expense. Mismatch between asset and liability cash flow as well as interest rate risk for mortgage servicing rights and the origination business franchise value have been allocated capital based upon their respective asset/liability management risk. The provision for loan loss is allocated based upon the actual net

Table of Contents

charge-offs of each respective line of business, adjusted for loan growth and changes in risk profile. Noninterest income and expenses directly attributable to a line of business are assigned to that line of business. Expenses for centrally provided services are allocated to the business line by various activity based cost formulas.

June 30, 2011	Commercial 2nd Qtr	Commercial YTD	Retail 2nd Qtr	Retail YTD	Wealth 2nd Qtr	Wealth YTD	Other 2nd Qtr	Other YTD	Consolidated 2nd Qtr	Consolidated YTD
OPERATIONS:										
Net interest income	$ 64,587	$ 132,162	$ 56,272	$ 112,043	$ 4,707	$ 9,531	$ (8,123)	$ (14,467)	$ 117,443	$ 239,269
Provision for loan losses	15,090	25,107	6,517	12,466	707	1,326	(4,695)	1,069	17,619	39,968
Other income	12,620	27,413	25,785	49,976	8,089	16,282	4,997	10,576	51,491	104,247
Other expenses	35,732	73,346	58,539	119,370	10,140	20,437	5,657	11,361	110,068	224,514
Net income	17,150	39,729	11,050	19,619	1,267	2,632	296	(4,656)	29,763	57,324
AVERAGES :										
Assets	$6,133,210	$6,114,006	$2,934,633	$2,944,264	$241,929	$242,586	$5,171,436	$5,074,596	$14,481,208	$14,375,452

June 30, 2010	Commercial 2nd Qtr	Commercial YTD	Retail 2nd Qtr	Retail YTD	Wealth 2nd Qtr	Wealth YTD	Other 2nd Qtr	Other YTD	Consolidated 2nd Qtr	Consolidated YTD
OPERATIONS:										
Net interest income	$ 54,649	$ 97,683	$ 59,941	$ 108,196	$ 4,859	$ 9,563	$ (2,682)	$ (8,281)	$ 116,767	$ 207,161
Provision for loan losses	12,676	21,030	10,482	20,208	1,104	1,886	(3,629)	3,002	20,633	46,126
Other income	12,766	17,779	27,990	52,773	8,442	16,161	4,011	16,396	53,209	103,109
Other expenses	27,956	53,053	55,866	107,800	9,596	18,948	12,305	19,935	105,723	199,736
Net income	24,427	33,913	14,968	22,364	1,750	3,237	(9,652)	(12,631)	31,493	46,883
AVERAGES :										
Assets	$5,443,648	$4,837,737	$2,928,728	$2,863,282	$289,357	$291,671	$4,810,446	$4,429,044	$13,426,271	$12,493,446

9. Derivatives and Hedging Activities

The Corporation, through its mortgage banking, foreign exchange and risk management operations, is party to various derivative instruments that are used for asset and liability management and customers' financing needs. Derivative instruments are contracts between two or more parties that have a notional amount and underlying variable, require no net investment and allow for the net settlement of positions. The notional amount serves as the basis for the payment provision of the contract and takes the form of units, such as shares or dollars The underlying variable represents a specified interest rate, index or other component. The interaction between the notional amount and the underlying variable determines the number of units to be exchanged between the parties and influences the market value of the derivative contract. Derivative assets and liabilities are recorded at fair value on the balance sheet and do not take into account the effects of master netting agreements. Master netting agreements allow the Corporation to settle all derivative contracts held with a single counterparty on a net basis, and to offset net derivative positions with related collateral, where applicable.

The predominant derivative and hedging activities include interest rate swaps and certain mortgage banking activities. Generally, these instruments help the Corporation manage exposure to market risk and meet customer financing needs. Market risk represents the possibility that economic value or net interest income will be adversely affected by fluctuations in external factors, such as interest rates, market-driven rates and prices or other economic factors. Foreign exchange contracts are entered into to accommodate the needs of customers.

Derivatives Designated in Hedge Relationships

The Corporation's fixed rate loans result in exposure to losses in value as interest rates change. The risk management objective for hedging fixed rate loans is to convert the fixed rate received to a floating rate. The Corporation hedges exposure to changes in the fair value of fixed rate loans through the use of swaps. For a qualifying fair value hedge, changes in the value of the derivatives that have been highly effective as hedges are recognized in current period earnings along with the corresponding changes in the fair value of the designated hedged item attributable to the risk being hedged.

Table of Contents

Through the Corporation's Fixed Rate Advantage Program ("FRAP Program") a customer received a fixed interest rate commercial loan and the Corporation subsequently converted that fixed rate loan to a variable rate instrument over the term of the loan by entering into an interest rate swap with a dealer counterparty. The Corporation receives a fixed rate payment from the customer on the loan and pays the equivalent amount to the dealer counterparty on the swap in exchange for a variable rate payment based on the one month London Inter-Bank Offered Rate ("LIBOR") index. These interest rate swaps are designated as fair value hedges. Through application of the "short cut method of accounting", there is an assumption that the hedges are effective. The Corporation discontinued originating interest rate swaps under the FRAP program in February 2008 and subsequently began a new interest rate swap program for commercial loan customers, termed the Back-to-Back Program. These swaps do not qualify as designated hedges; therefore, each swap is accounted for as a standalone derivative.

As of June 30, 2011, December 31, 2010 and June 30, 2010, the notional values or contractual amounts and fair value of the Corporation's derivatives designated in hedge relationships were as follows:

	Asset Derivatives						Liability Derivatives					
	June 30, 2011		December 31, 2010		June 30, 2010		June 30, 2011		December 31, 2010		June 30, 2010	
	Notional/ Contract Amount	Fair Value (a)	Notional/ Contract Amount	Fair Value (a)	Notional/ Contract Amount	Fair Value (a)	Notional/ Contract Amount	Fair Value (b)	Notional/ Contract Amount	Fair Value (b)	Notional/ Contract Amount	Fair Value (b)
Interest rate swaps:												
Fair value hedges	$ —	$ —	$ 6,920	$ —	$ —	$ —	$ 267,792	$ 25,772	$ 305,933	$ 28,550	$ 350,743	$ 33,907

(a) Included in Other Assets on the Consolidated Balance Sheet

(b) Included in Other Liabilities on the Consolidated Balance Sheet

Derivatives Not Designated in Hedge Relationships

As of June 30, 2011, December 31, 2010 and June 30, 2010, the notional values or contractual amounts and fair value of the Corporation's derivatives not designated in hedge relationships were as follows:

	Asset Derivatives						Liability Derivatives					
	June 30, 2011		December 31, 2010		June 30, 2010		June 30, 2011		December 31, 2010		June 30, 2010	
	Notional/ Contract Amount	Fair Value (a)	Notional/ Contract Amount	Fair Value (a)	Notional/ Contract Amount	Fair Value (a)	Notional/ Contract Amount	Fair Value (b)	Notional/ Contract Amount	Fair Value (b)	Notional/ Contract Amount	Fair Value (b)
Interest rate swaps	$ 863,344	$ 46,246	$ 774,623	$ 44,270	$ 717,915	$ 49,391	$ 863,344	$ 46,246	$ 774,623	$ 44,270	$ 717,915	$ 49,391
Mortgage loan commitments	129,909	1,539	118,119	1,384	200,883	4,057	—	—	—	—	—	—
Forward sales contracts	84,517	5	113,426	2,106	132,084	(1,939)	—	—	—	—	—	—
Credit contracts	—	—	—	—	—	—	24,714	—	44,983	—	61,175	—
Foreign exchange	4,076	19	3,733	4	3,167	102	4,076	19	3,733	4	3,167	102
Other	—	—	—	—	—	—	17,506	—	14,622	—	14,699	—
Total	$1,081,846	$ 47,809	$1,009,901	$ 47,764	$1,054,049	$ 51,611	$ 909,640	$ 46,265	$ 837,961	$ 44,274	$ 796,956	$ 49,493

(a) Included in Other Assets on the Consolidated Balance Sheet

(b) Included in Other Liabilities on the Consolidated Balance Sheet

Interest Rate Swaps. In 2008, the Corporation implemented the Back-to-Back Program, which is an interest rate swap program for commercial loan customers. The Back-to-Back Program provides the customer with a fixed rate loan while creating a variable rate asset for the Corporation through the customer entering into an interest rate swap with the Corporation on terms that match the loan. The Corporation offsets its risk exposure by entering into an offsetting interest rate swap with a dealer counterparty. These swaps do not qualify as designated hedges; therefore, each swap is accounted for as a standalone derivative.

Table of Contents

Mortgage banking. In the normal course of business, the Corporation sells originated mortgage loans into the secondary mortgage loan markets. During the period of loan origination and prior to the sale of the loans in the secondary market, the Corporation has exposure to movements in interest rates associated with mortgage loans that are in the "mortgage pipeline" and the "mortgage warehouse". A pipeline loan is one in which the Corporation has entered into a written mortgage loan commitment with a potential borrower that will be held for resale. Once a mortgage loan is closed and funded, it is included within the mortgage warehouse of loans awaiting sale and delivery into the secondary market.

Written loan commitments that relate to the origination of mortgage loans that will be held for resale are considered free-standing derivatives and do not qualify for hedge accounting. Written loan commitments generally have a term of up to 60 days before the closing of the loan. The loan commitment does not bind the potential borrower to entering into the loan, nor does it guarantee that the Corporation will approve the potential borrower for the loan. Therefore, when determining fair value, the Corporation makes estimates of expected "fallout" (loan commitments not expected to close), using models, which consider cumulative historical fallout rates and other factors. Fallout can occur for a variety of reasons including falling rate environments when a borrower will abandon an interest rate lock loan commitment at one lender and enter into a new lower interest rate lock loan commitment at another, when a borrower is not approved as an acceptable credit by the lender, or for a variety of other non-economic reasons. In addition, expected net future cash flows related to loan servicing activities are included in the fair value measurement of a written loan commitment.

Written loan commitments in which the borrower has locked in an interest rate results in market risk to the Corporation to the extent market interest rates change from the rate quoted to the borrower. The Corporation economically hedges the risk of changing interest rates associated with its interest rate lock commitments by entering into forward sales contracts.

The Corporation's warehouse (mortgage loans held for sale) is subject to changes in fair value, due to fluctuations in interest rates from the loan's closing date through the date of sale of the loan into the secondary market. Typically, the fair value of the warehouse declines in value when interest rates increase and rises in value when interest rates decrease. To mitigate this risk, the Corporation enters into forward sales contracts on a significant portion of the warehouse to provide an economic hedge against those changes in fair value. Mortgage loans held for sale and the forward sales contracts were recorded at fair value with ineffective changes in value recorded in current earnings as Loan sales and servicing income.

The Corporation periodically enters into derivative contracts by purchasing To Be Announced ("TBA") Securities which are utilized as economic hedges of its MSRs to minimize the effects of loss of value of MSRs associated with increase prepayment activity that generally results from declining interest rates. In a rising interest rate environment, the value of the MSRs generally will increase while the value of the hedge instruments will decline. The hedges are economic hedges only, and are terminated and reestablished as needed to respond to changes in market conditions. There were no outstanding TBA Securities contracts as of June 30, 2011, December 31, 2010 or June 30, 2010

Credit contracts. Prior to implementation of the Back-to-Back Program, certain of the Corporation's commercial loan customers entered into interest rate swaps with unaffiliated dealer counterparties. The Corporation entered into swap participations with these dealer counterparties whereby the Corporation guaranteed payment in the event that the counterparty experienced a loss on the interest rate swap due to a failure to pay by the Corporation's commercial loan customer. The Corporation simultaneously entered into reimbursement agreements with the commercial loan customers obligating the customers to reimburse the Corporation for any payments it makes under the swap participations. The Corporation monitors its payment

Table of Contents

risk on its swap participations by monitoring the creditworthiness of its commercial loan customers, which is based on the normal credit review process the Corporation would have performed had it entered into these derivative instruments directly with the commercial loan customers. At June 30, 2011, the remaining terms on these swap participation agreements generally ranged from one to eight years. The Corporation's maximum estimated exposure to written swap participations, as measured by projecting a maximum value of the guaranteed derivative instruments based on interest rate curve simulations and assuming 100% default by all obligors on the maximum values, was approximately $2.9 million as of June 30, 2011. The fair values of the written swap participations were not material at June 30, 2011, December 31, 2010 and June 30, 2010.

Gains and losses recognized in income on non-designated hedging instruments for the quarters ended June 30, 2011 and 2010 are as follows:

Derivatives not designated as hedging instruments	Location of Gain / (Loss) Recognized in Income on Derivative	Amount of Gain / (Loss) Recognized in Income on Derivative: Quarter ended, June 30, 2011	Amount of Gain / (Loss) Recognized in Income on Derivative: Quarter ended, June 30, 2010
Mortgage loan commitments	Other income	$ 107	$ 2,818
Forward sales contracts	Other income	175	(2,064)
Total		$ 282	$ 754

Counterparty Credit Risk

Like other financial instruments, derivatives contain an element of "credit risk"— the possibility that the Corporation will incur a loss because a counterparty, which may be a bank, a broker-dealer or a customer, fails to meet its contractual obligations. This risk is measured as the expected positive replacement value of contracts. All derivative contracts may be executed only with exchanges or counterparties approved by the Corporation's Asset and Liability Committee, and only within the Corporation's Board of Directors Credit Committee approved credit exposure limits. Where contracts have been created for customers, the Corporation enters into derivatives with dealers to offset its risk exposure. To manage the credit exposure to exchanges and counterparties, the Corporation generally enters into bilateral collateral agreements using standard forms published by the International Swaps and Derivatives Association. These agreements are to include thresholds of credit exposure or the maximum amount of unsecured credit exposure which the Corporation is willing to assume. Beyond the threshold levels, collateral in the form of securities made available from the investment portfolio or other forms of collateral acceptable under the bilateral collateral agreements are provided. The threshold levels for each counterparty are established by the Corporation's Asset and Liability Committee. The Corporation generally posts collateral in the form of highly rated Government Agency issued bonds or MBSs. Collateral posted against derivative liabilities was $91.2 million, $85.2 million and $95.8 million as of June 30, 2011, December 31, 2010 and June 30, 2010, respectively.

Table of Contents

10. Benefit Plans

The Corporation sponsors several qualified and nonqualified pension and other postretirement plans for certain of its employees. The net periodic pension cost is based on estimated values provided by an outside actuary. The components of net periodic benefit cost are as follows:

	Pension Benefits			
	Quarter ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Components of Net Periodic Pension Cost				
Service Cost	$ 1,531	$ 1,480	$ 3,062	$ 2,959
Interest Cost	2,860	2,800	5,720	5,600
Expected return on assets	(3,328)	(3,015)	(6,656)	(6,029)
Amortization of unrecognized prior service costs	98	98	196	197
Cumulative net loss	1,780	1,427	3,560	2,854
Net periodic pension cost	$ 2,941	$ 2,790	$ 5,882	$ 5,581

	Postretirement Benefits			
	Quarter ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Components of Net Periodic Postretirement Cost				
Service Cost	$ 14	$ 15	$ 28	$ 30
Interest Cost	221	240	442	480
Amortization of unrecognized prior service costs	—	—	—	—
Cumulative net loss	28	4	56	8
Net periodic postretirement cost	$ 263	$ 259	$ 526	$ 518

Management anticipates contributing $10.0 million to the qualified pension plan during 2011.

The Corporation also maintains a savings plan under Section 401(k) of the Internal Revenue Code of 1987, as amended, covering substantially all full-time and part-time employees beginning in the quarter following three months of continuous employment. The savings plan was approved for non-vested employees in the defined benefit pension plan and new hires as of January 1, 2007. Effective January 1, 2009, the Corporation suspended its matching contribution to the savings plan. Effective April 1, 2011, the Corporation reinstated its matching contribution to $.50 for each $1.00 up to 1% of an employee's qualifying salary. Matching contributions vest in accordance with plan specifications.

11. Fair Value Measurement

As defined in ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the price to sell an asset or transfer a liability in an orderly transaction between market participants in the principal market or most advantageous market for the asset or liability. Fair value is based on quoted market prices, when available, for identical or similar assets or liabilities. In the absence of quoted market prices, Management determines the fair value of the Corporation's assets and liabilities using valuation models or third-party pricing services. Both of these approaches rely on market-based parameters when available, such as interest rate yield

Table of Contents

curves, option volatilities and credit spreads, or unobservable inputs. Unobservable inputs may be based on Management's judgment, assumptions and estimates related to credit quality, liquidity, interest rates and other relevant inputs

U S GAAP establishes a three-level valuation hierarchy for determining fair value that is based on the transparency of the inputs used in the valuation process. The inputs used in determining fair value in each of the three levels of the hierarchy, highest ranking to lowest, are as follows

- Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 — Valuations of assets and liabilities traded in less active dealer or broker markets. Valuations include quoted prices for similar assets and liabilities traded in the same market; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 — Valuations based on unobservable inputs significant to the overall fair value measurement.

The level in the fair value hierarchy ascribed to a fair value measurement in its entirety is based on the lowest level input that is significant to the overall fair value measurement.

	Level 1	Level 2	Level 3	Total
Available-for-sale securities	$ 3,752	$ 3,349,950	$ 144,570	$ 3,498,272
Residential loans held for sale	—	22,951	—	22,951
Derivative assets	—	47,809	—	47,809
Total assets at fair value on a recurring basis	$ 3,752	$ 3,420,710	$ 144,570	$ 3,569,032
Derivative liabilities	$ —	$ 72,037	$ —	$ 72,037
True-up liability	—	—	12,196	12,196
Total liabilities at fair value on a recurring basis	$ —	$ 72,037	$ 12,196	$ 84,233

Note: There were no transfers between Levels 1 and 2 of the fair value hierarchy during the quarter ended June 30, 2011.

Available-for-sale securities. When quoted prices are available in an active market, securities are valued using the quoted price and are classified as Level 1. The quoted prices are not adjusted. Level 1 instruments include money market mutual funds.

For certain available-for sale securities, the Corporation obtains fair value measurements from an independent third party pricing service or independent brokers. The detail by level is shown in the table below.

Table of Contents

	Level 2		Level 3	
	# Issues	Independent Pricing Service	# Issues	Independent Broker Quotes
U.S. government agency debentures	25	$ 371,244	—	$ —
U.S States and political subdivisions	486	309,785	—	—
Residential mortgage-backed securities:				
U.S government agencies	208	1,588,971	—	—
Residential collateralized mortgage-backed securities:				
U.S. government agencies	110	1,079,947	1	3
Non-agency	1	3	7	93,844
Corporate debt securities	—	—	8	50,723
	830	$ 3,349,950	16	$ 144,570

Available-for-sale securities classified as Level 2 are valued using the prices obtained from an independent pricing service. The prices are not adjusted. The independent pricing service uses industry standard models to price U.S Government agencies and MBSs that consider various assumptions, including time value, yield curves, volatility factors, prepayment speeds, default rates, loss severity, current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures. Securities of obligations of state and political subdivisions are valued using a type of matrix, or grid, pricing in which securities are benchmarked against the treasury rate based on credit rating. For collateralized mortgage securities, depending on the characteristics of a given tranche, a volatility driven multidimensional static model or Option-Adjusted Spread model is generally used. Substantially all assumptions used by the independent pricing service are observable in the marketplace, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace. On a quarterly basis, the Corporation obtains from the independent pricing service the inputs used to value a sample of securities held in portfolio. The Corporation reviews these inputs to ensure the appropriate classification, within the fair value hierarchy, is ascribed to a fair value measurement in its entirety. In addition, all fair value measurement are reviewed to determine the reasonableness of the measurement relative to changes in observable market data and market information received from outside market participants and analysts.

Available-for-sale securities classified as level 3 securities include mortgage-backed securities issued and guaranteed by the National Credit Union Administration and single issuer trust preferred securities. The fair value of these mortgage-backed securities is based on each security's indicative market price obtained from a third-party vendor excluding accrued interest. Trust preferred securities, which represent less than 2% of the portfolio at fair value, are valued based on the average of two non-binding broker quotes Since the trust preferred securities are thinly traded, the Corporation has determined that using an average of two non-binding broker quotes is a more conservative valuation methodology. The non-binding nature of the pricing results in a classification as Level 3. The Corporation uses various techniques to validate the fair values received from third-party vendors for accuracy and reasonableness.

Loans held for sale. These loans are regularly traded in active markets through programs offered by the Federal Home Loan Mortgage Corporation ("FHLMC") and the Federal National Mortgage Association ("FNMA"), and observable pricing information is available from market participants. The prices are adjusted as necessary to include any embedded servicing value in the loans and to take into consideration the specific characteristics of certain loans. These adjustments represent unobservable inputs to the valuation but are not

Table of Contents

considered significant to the fair value of the loans. Accordingly, residential real estate loans held for sale are classified as Level 2.

Derivatives. The Corporation's derivatives include interest rate swaps and written loan commitments and forward sales contracts related to residential mortgage loan origination activity. Valuations for interest rate swaps are derived from third party models whose significant inputs are readily observable market parameters, primarily yield curves, with appropriate adjustments for liquidity and credit risk. These fair value measurements are classified as Level 2. The fair values of written loan commitments and forward sales contracts on the associated loans are based on quoted prices for similar loans in the secondary market, consistent with the valuation of residential mortgage loans held for sale. Expected net future cash flows related to loan servicing activities are included in the fair value measurement of written loan commitments. A written loan commitment does not bind the potential borrower to entering into the loan, nor does it guarantee that the Corporation will approve the potential borrower for the loan. Therefore, when determining fair value, the Corporation makes estimates of expected "fallout" (locked pipeline loans not expected to close), using models, which consider cumulative historical fallout rates and other factors. Fallout can occur for a variety of reasons including falling rate environments when a borrower will abandon a fixed rate loan commitment at one lender and enter into a new lower fixed rate loan commitment at another, when a borrower is not approved as an acceptable credit by the lender, or for a variety of other non-economic reasons Fallout is not a significant input to the fair value of the written loan commitments in their entirety. These measurements are classified as Level 2.

Derivative assets are typically secured through securities with financial counterparties or cross collateralization with a borrowing customer. Derivative liabilities are typically secured through the Corporation pledging securities to financial counterparties or, in the case of a borrowing customer, by the right of setoff. The Corporation considers factors such as the likelihood of default by itself and its counterparties, right of setoff, and remaining maturities in determining the appropriate fair value adjustments. All derivative counterparties approved by the Corporation's Asset and Liability Committee are regularly reviewed, and appropriate business action is taken to adjust the exposure to certain counterparties, as necessary. Counterparty exposure is evaluated by netting positions that are subject to master netting agreements, as well as considering the amount of marketable collateral securing the position. This approach used to estimate impacted exposures to counterparties is also used by the Corporation to estimate its own credit risk on derivative liability positions. To date, no material losses due to counterparty's inability to pay any uncollateralized position have been incurred. There was no significant change in value of derivative assets and liabilities attributed to credit risk for the quarter ended June 30, 2011.

True-up liability. In connection with the George Washington and Midwest acquisitions, the Bank has agreed to pay the FDIC should the estimated losses on the acquired loan portfolios as well as servicing fees earned on the acquired loan portfolios not meet thresholds as stated in the purchase agreements. The determination of the true-up liability is specified in the purchase agreements and is payable to the FDIC on April 14, 2020 for the George Washington acquisition and on July 15, 2020 for the Midwest acquisition. The value of the true-up liability is discounted to reflect the uncertainty in the timing and payment of the true-up liability by the Bank. As of June 30, 2011, the estimated fair value of the George Washington true-up liability was $4.5 million and the Midwest true-up liability was $7.7 million.

Table of Contents

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized follows:

	Fair Value March 31, 2011	Total unrealized gains/losses (a)	Total changes in fair values included in current period earnings	Purchases	Sales	Transfers	Fair value quarter ended June 30, 2011
Available-for-sale securities	$ 126,914	$ (2,344)	$ —	$ 20,000	$ —	$ —	$ 144,570
True-up liability	$ 11,601	$ —	$ 595	$ —	$ —	$ —	$ 12,196

(a) Reported in other comprehensive income (loss)

	Fair Value January 1, 2011	Total unrealized gains/(losses) (a)	Total changes in fair values included in current period earnings	Purchases	Sales	Transfers	Fair value quarter ended June 30, 2011
Available-for-sale securities	$ 60,344	$ 350	$ —	$ 83,876	$ —	$ —	$ 144,570
True-up liability	$ 12,061	$ —	$ 135	$ —	$ —	$ —	$ 12,196

(a) Reported in other comprehensive income (loss)

Certain financial assets and liabilities are measured at fair value on a nonrecurring basis. Generally, nonrecurring valuations are the result of applying accounting standards that require assets or liabilities to be assessed for impairment, or recorded at the lower-of-cost or fair value.

	Level 1	Level 2	Level 3	Total
Mortgage servicing rights	$ —	$ —	$ 20,766	$ 20,766
Impaired and nonaccrual loans	—	—	114,975	114,975
Other property (1)	—	—	33,006	33,006
Other real estate covered by loss share	—	—	64,372	64,372
Total assets at fair value on a nonrecurring basis	$ —	$ —	$ 233,119	$ 233,119

(1) Represents the fair value, and related change in the value, of foreclosed real estate and other collateral owned by the Corporation during the period.

Mortgage Servicing Rights. The Corporation carries its mortgage servicing rights at lower of cost or fair value, and therefore, can be subject to fair value measurements on a nonrecurring basis. Since sales of mortgage servicing rights tend to occur in private transactions and the precise terms and conditions of the sales are typically not readily available, there is a limited market to refer to in determining the fair value of mortgage servicing rights. As such, like other participants in the mortgage banking business, the Corporation relies primarily on a discounted cash flow model, incorporating assumptions about loan prepayment rates, discount rates, servicing costs and other economic factors, to estimate the fair value of its mortgage servicing rights. Since the valuation model uses *significant unobservable inputs, the Corporation classifies mortgage servicing rights* as Level 3

The Corporation utilizes a third party vendor to perform the modeling to estimate the fair value of its mortgage servicing rights. The Corporation reviews the estimated fair values and assumptions used by the third

Table of Contents

party in the model on a quarterly basis The Corporation also compares the estimates of fair value and assumptions to recent market activity and against its own experience.

Impaired and nonaccrual loans. Fair value adjustments for these items typically occur when there is evidence of impairment. Loans are designated as impaired when, in the judgment of Management based on current information and events, it is probable that all amounts due according to the contractual terms of the loan agreement will not be collected. The measurement of loss associated with impaired loans can be based on either the observable market price of the loan or the fair value of the collateral The Corporation measures fair value based on the value of the collateral securing the loans. Collateral may be in the form of real estate or personal property including equipment and inventory. The vast majority of the collateral is real estate. The value of the collateral is determined based on internal estimates as well as third party appraisals or price opinions. These measurements were classified as Level 3.

Other Property. Other property includes foreclosed assets and properties securing residential and commercial loans. Assets acquired through, or in lieu of, loan foreclosures are recorded initially at the lower of the loan balance or fair value, less estimated selling costs, upon the date of foreclosure. Fair value is based upon appraisals or third-party price opinions and, accordingly, considered a Level 3 classification. Subsequent to foreclosure, valuations are updated periodically, and the assets may be marked down further, reflecting a new carrying amount.

Financial Instruments Recorded at Fair Value

The Corporation has elected to fair value newly originated conforming fixed rate and adjustable rate first mortgage loans held for sale. The election of the fair value option aligns the accounting for these loans with the related hedges. It also eliminates the requirements of hedge accounting under GAAP.

The following table reflects the differences, as of June 30, 2011, between the fair value carrying amount of residential mortgages held for sale and the aggregate unpaid principal amount the Corporation is contractually entitled to receive at maturity None of these loans were 90 days or more past due, nor were any on nonaccrual status.

	Fair Value Carrying Amount	Aggregate Unpaid Principal	Fair Value Carrying Amount Less Aggregate Unpaid Principal
Loans held for sale reported at fair value	$ 22,951	$ 22,419	$ 532

Interest income on loans held for sale is accrued on the principal outstanding primarily using the "simple-interest" method.

Loans held for sale are measured at fair value with changes in fair value recognized in current earnings. The changes in fair value for residential mortgage loans held for sale measured at fair value included in earnings for the quarters and six months ended June 30, 2011 and 2010 were not significant.

Disclosures about Fair Value of Financial Instruments

The carrying amount and fair value of the Corporation's financial instruments are shown below.

Table of Contents

	June 30, 2011		December 31, 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and due from banks	$ 224,078	$ 224,078	$ 523,113	$ 523,113
Investment securities	3,660,425	3,739,934	3,154,333	3,207,754
Loan held for sale	22,951	22,951	41,340	41,340
Net noncovered loans	7,299,032	6,929,941	7,087,398	6,716,214
Net covered loans and loss share receivable	1,721,747	1,721,747	1,963,021	1,963,021
Accrued interest receivable	42,276	42,276	41,830	41,830
Mortgage servicing rights	20,744	20,766	21,317	21,579
Derivative assets	47,809	47,809	47,764	47,764
Financial liabilities:				
Deposits	$11,340,939	$11,359,102	$11,268,006	$11,275,440
Federal funds purchased and securities sold under agreements to repurchase	809,570	814,030	777,585	782,668
Wholesale borrowings	325,133	328,808	326,007	329,465
Accrued interest payable	5,851	5,851	6,560	6,560
Derivative liabilities	72,037	72,037	72,824	72,824
True up liability	12,196	12,196	12,061	12,061

The following methods and assumptions were used to estimate the fair values of each class of financial instrument presented:

Cash and due from banks — For these short-term instruments, the carrying amount is considered a reasonable estimate of fair value

Investment Securities — See Financial Instruments Measured at Fair Value above.

Net noncovered loans — The loan portfolio was segmented based on loan type and repricing characteristics. Carrying values are used to estimate fair values of variable rate loans. A discounted cash flow method was used to estimate the fair value of fixed-rate loans. Discounting was based on the contractual cash flows, and discount rates are based on the year-end yield curve plus a spread that reflects current pricing on loans with similar characteristics. If applicable, prepayment assumptions are factored into the fair value determination based on historical experience and current economic conditions.

Loans held for sale — The majority of loans held for sale are residential mortgage loans which are recorded at fair value. All other loans held for sale are recorded at the lower of cost or market, less costs to sell. See Financial Instruments Measured at Fair Value above.

Covered loans — Fair values for loans were based on a discounted cash flow methodology that considered factors including the type of loan and related collateral, classification status, fixed or variable interest rate, term of loan and whether or not the loan was amortizing, and current discount rates. Loans were grouped together according to similar characteristics and were treated in the aggregate when applying various valuation techniques. The discount rates used for loans are based on current market rates for new originations of comparable loans and include adjustments for liquidity concerns. The discount rate does not include a factor for credit losses as that has been included in the estimated cash flows.

Table of Contents

Loss share receivable — This loss sharing asset is measured separately from the related covered assets as it is not contractually embedded in the covered assets and is not transferable with the covered assets should the Bank choose to dispose of them. Fair value was estimated using projected cash flows related to the Loss Share Agreements based on the expected reimbursements for losses and the applicable loss sharing percentages. These cash flows were discounted to reflect the uncertainty of the timing and receipt from the FDIC.

Accrued interest receivable — The carrying amount is considered a reasonable estimate of fair value.

Mortgage servicing rights — See Financial Instruments Measured at Fair Value above.

Deposits — The estimated fair value of deposits with no stated maturity, which includes demand deposits, money market accounts and other savings accounts, are established at carrying value because of the customers' ability to withdraw funds immediately. A discounted cash flow method is used to estimate the fair value of fixed rate time deposits. Discounting was based on the contractual cash flows and the current rates at which similar deposits with similar remaining maturities would be issued.

Federal funds purchased and securities sold under agreements to repurchase and wholesale borrowings — The carrying amount of variable rate borrowings including federal funds purchased is considered to be their fair value. Quoted market prices or the discounted cash flow method was used to estimate the fair value of the Corporation's long-term debt. Discounting was based on the contractual cash flows and the current rate at which debt with similar terms could be issued.

Accrued interest payable — The carrying amount is considered a reasonable estimate of fair value.

Derivative assets and liabilities — See Financial Instruments Measured at Fair Value above.

True-up liability — See Financial Instruments Measured at Fair Value above.

12. Mortgage Servicing Rights and Mortgage Servicing Activity

In the six months ended June 30, 2011 and 2010, the Corporation sold residential mortgage loans from the held for sale portfolio with unpaid principal balances of $211.6 million and $174.8 million, respectively, and recognized pre-tax gains of $3.4 million and $3.3 million, respectively, which are included as a component of loan sales and servicing income. The Corporation retained the related mortgage servicing rights on $185.9 million and $136 0 million, respectively, of the loans sold and receives servicing fees.

The Corporation serviced for third parties approximately $2.2 billion of residential mortgage loans at June 30, 2011, $2.1 billion at December 31, 2010 and $2.0 billion at June 30, 2010. For the six months ended June 30, 2011 and 2010, loan servicing fees, not including valuation changes included in loan sales and servicing income, were $2.7 million and $2.5 million, respectively.

Servicing rights are presented within other assets on the accompanying consolidated balance sheet. The retained servicing rights are initially valued at fair value. Since mortgage servicing rights do not trade in an active market with readily observable prices, the Corporation relies primarily on a discounted cash flow analysis model to estimate the fair value of its mortgage servicing rights. Additional information can be found in Note 11 (Fair Value Measurement) Mortgage servicing rights are subsequently measured using the amortization method. Accordingly, the mortgage servicing rights are amortized over the period of, and in proportion to, the estimated net servicing income and is recorded in loan sales and servicing income.

Table of Contents

Changes in the carrying amount of mortgage servicing rights are as follows:

	Quarter ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Balance at beginning of period	$ 21,539	$ 20,652	$ 21,317	$ 20,784
Addition of mortgage servicing rights	554	677	1,861	1,393
Amortization	(999)	(911)	(2,084)	(1,759)
Changes in allowance for impairment	(350)	(1,091)	(350)	(1,091)
Balance at end of period	$ 20,744	$ 19,327	$ 20,744	$ 19,327
Fair value at end of period	$ 20,766	$ 19,331	$ 20,766	$ 19,331

On a quarterly basis, the Corporation assesses its capitalized servicing rights for impairment based on their current fair value. For purposes of the impairment, the servicing rights are disaggregated based on loan type and interest rate which are the predominant risk characteristics of the underlying loans. A valuation allowance is established through a charge to earnings to the extent the amortized cost of the mortgage servicing rights exceeds the estimated fair value by stratification If it is later determined that all or a portion of the temporary impairment no longer exists for the stratification, the valuation is reduced through a recovery to earnings. The valuation allowance was $0.4 million as of June 30, 2011 and $1.1 million as of June 30, 2010. No valuation allowance was required as of December 31, 2010. No permanent impairment losses were written off against the allowance during the quarters ended June 30, 2011 and June 30, 2010.

Key economic assumptions and the sensitivity of the current fair value of the mortgage servicing rights related to immediate 10% and 25% adverse changes in those assumptions at June 30, 2011 are presented in the following table below. These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in the fair value based on 10% variation in the prepayment speed assumption generally cannot be extrapolated because the relationship of the change in the prepayment speed assumption to the change in fair value may not be linear. Also, in the below table, the effect of a variation in the discount rate assumption on the fair value of the mortgage servicing rights is calculated independently without changing any other assumption In reality, changes in one factor may result in changes in another (for example, changes in prepayment speed estimates could result in changes in the discount rates), which might magnify or counteract the sensitivities.

Prepayment speed assumption (annual CPR)	9.6%
Decrease in fair value from 10% adverse change	$ 758
Decrease in fair value from 25% adverse change	1,813
Discount rate assumption	9.7%
Decrease in fair value from 100 basis point adverse change	$ 681
Decrease in fair value from 200 basis point adverse change	1,316
Expected weighted-average life (in months)	100.1

13. Contingencies and Guarantees

Litigation

In the normal course of business, the Corporation and its subsidiaries are at all times subject to pending and threatened legal actions, some for which the relief or damages sought are substantial. Although the Corporation is not able to predict the outcome of such actions, after reviewing pending and threatened actions

Table of Contents

with counsel, Management believes that based on the information currently available the outcome of such actions, individually or in the aggregate, will not have a material adverse effect on the results of operations or shareholders' equity of the Corporation. However, it is possible that the ultimate resolution of these matters, if unfavorable, may be material to the results of operations in a particular future period as the time and amount of any resolution of such actions and its relationship to the future results of operations are not known

Reserves are established for legal claims only when losses associated with the claims are judged to be probable, and the loss can be reasonably estimated. In many lawsuits and arbitrations, including almost all of the class action lawsuits, it is not possible to determine whether a liability has been incurred or to estimate the ultimate or minimum amount of that liability until the case is close to resolution, in which case a reserve will not be recognized until that time.

Overdraft Litigation

Commencing in December 2010, two separate lawsuits were filed in the Summit County Court of Common Pleas and the Lake County Court of Common Plea against the Corporation and the Bank. The complaints were brought as putative class actions on behalf of Ohio residents who maintained a checking account at the Bank and who incurred one or more overdraft fees as a result of the alleged re-sequencing of debit transactions. The lawsuit that had been filed in Summit County Court of Common Pleas was dismissed without prejudice on July 11, 2011. The remaining suit in Lake County seeks actual damages, disgorgement of overdraft fees, punitive damages, interest, injunctive relief and attorney fees.

365/360 Interest Litigation

In August 2008 a lawsuit was filed in the Cuyahoga County Court of Common Pleas against the Bank. The breach of contract complaint was brought as a putative class action on behalf of Ohio commercial borrowers who had allegedly had the interest they owed calculated improperly by using the 365/360 method. The complaint seeks actual damages, interest, injunctive relief and attorney fees.

Schneider Litigation

Commencing in May 2006, two lawsuits were filed in the Cuyahoga County Court of Common Pleas against the Bank. One complaint was filed by the receiver for the Bank customers Alan and Joanne Schneider, and the other complaint was filed by alleged defrauded investors of the Schneiders seeking to represent a class of persons who invested in promissory notes offered by the Schneiders. The allegations against the Bank arise out of Alan Schneider's business checking account at the Bank into which investors' checks were deposited and from which certain investors received payments. The complaints seek, among other things, actual damages, treble damages, punitive damages, interest, rescission and attorney fees. On January 14, 2011, a third-party complaint was filed by the Bank against its insurers in the receiver's lawsuit. By opinion dated February 10, 2011 the Cuyahoga County Court of Appeals reversed the trial court's decision certifying an investor class in the case brought by the alleged defrauded investors

On July 20, 2011 the Bank entered into a settlement agreement in the lawsuit with the receiver for Alan and Joanne Schneider that provides if certain conditions are satisfied the Bank's insurer will make a settlement payment of approximately $9.9 million and the Bank will make a settlement payment of approximately $0.6 million. These payments will be used to pay the receiver's legal fees and expenses and the balance distributed to the allegedly defrauded investors by the receiver in accordance with the settlement agreement. The Court will conduct a hearing on whether to approve the proposed settlement on August 15, 2011.

Table of Contents

Based on information currently available, consultation with counsel, available insurance coverage and established reserves, Management believes that the eventual outcome of all claims against the Corporation and its subsidiaries will not, individually or in the aggregate, have a material adverse effect on its consolidated financial position or results of operations. However, it is possible that the ultimate resolution of these matters, if unfavorable, may be material to the results of operations for a particular period. Other than the $0.6 million that has been reserved for the settlement in the Schneider Litigation, the Corporation has not established any reserves with respect to any of this disclosed litigation because it is not possible to determine either (i) whether a liability has been incurred or (ii) to estimate the ultimate or minimum amount of that liability or both at this time.

Commitments to Extend Credit

Commitments to extend credit are agreements to lend to a customer provided there is no violation of any condition established in the contract. Loan commitments to originate residential mortgage loans held for sale and forward commitments to sell residential mortgage loans are considered derivative instruments, and the fair value of these commitments is recorded on the consolidated balance. Additional information is provided in Note 9 (Derivatives and Hedging Activities) Commitments generally are extended at the then prevailing interest rates, have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon the total commitment amounts do not necessarily represent future cash requirements. Loan commitments involve credit risk not reflected on the balance sheet. The Corporation mitigates exposure to credit risk with internal controls that guide how applications for credit are reviewed and approved, how credit limits are established and, when necessary, how demands for collateral are made. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties. Management evaluates the creditworthiness of each prospective borrower on a case-by-case basis and, when appropriate, adjusts the allowance for probable credit losses inherent in all commitments The allowance for unfunded lending commitments at June 30, 2011 was $5.8 million. Additional information pertaining to this allowance is included under the heading "Allowance for Loan Losses and Reserve for Unfunded Lending Commitments" within Management's Discussion and Analysis of Financial Condition and Results of Operation of this report.

The following table shows the remaining contractual amount of each class of commitments to extend credit as of June 30, 2011. This amount represents the Corporation's maximum exposure to loss if the customer were to draw upon the full amount of the commitment and subsequently default on payment for the total amount of the then outstanding loan.

	June 30, 2011
Loan Commitments	
Commercial	$ 2,367,898
Consumer	1,610,194
Total loan commitments	$ 3,978,092

Table of Contents

Guarantees

The Corporation is a guarantor in certain agreements with third parties. The following table shows the types of guarantees the Corporation had outstanding as of June 30, 2011.

	June 30, 2011
Financial guarantees	
Standby letters of credit	$ 109,621
Loans sold with recourse	41,576
Total financial guarantees	$ 151,197

Standby letters of credit obligate the Corporation to pay a specified third party when a customer fails to repay an outstanding loan or debt instrument, or fails to perform some contractual nonfinancial obligation. The credit risk involved in issuing letters of credit is essentially the same as involved in extending loan facilities to customers. Collateral held varies, but may include marketable securities, equipment and real estate. Any amounts drawn under standby letters of credit are treated as loans; they bear interest and pose the same credit risk to the Corporation as a loan. Except for short-term guarantees of $77.3 million at June 30, 2011, the remaining guarantees extend in varying amounts through 2015.

In recourse arrangements, the Corporation accepts 100% recourse. By accepting 100% recourse, the Corporation is assuming the entire risk of loss due to borrower default. The Corporation uses the same credit policies originating loans which will be sold with recourse as it does for any other type of loan. The Corporation's exposure to credit loss, if the borrower completely failed to perform and if the collateral or other forms of credit enhancement all prove to be of no value, is represented by the notional amount less any allowance for possible loan losses. The allowance for loan loss associated with loans sold with recourse was $2.1 million as of June 30, 2011.

Table of Contents

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

AVERAGE CONSOLIDATED BALANCE SHEETS (Unaudited)
Fully Tax-equivalent Interest Rates and Interest Differential

	Three months ended June 30, 2011			Year ended December 31, 2010			Three months ended June 30, 2010		
(Dollars in thousands)	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS									
Cash and due from banks	$ 588,487			$ 728,723			$ 762,781		
Investment securities and federal funds sold.									
U.S Treasury securities and U S Government agency obligations (taxable)	2,958,993	19,942	2 70%	2,554,538	87,019	3 41%	2,708,609	23,462	3 47%
Obligations of states and political subdivisions (tax exempt)	368,790	4,905	5.33%	348,832	20,505	5 88%	349,424	5,184	5.95%
Other securities and federal funds sold	294,983	2,235	3 04%	300,700	8,508	2.83%	318,139	2,139	2.70%
Total investment securities and federal funds sold	3,622,766	27,082	3 00%	3,204,070	116,032	3.62%	3,376,172	30,785	3 66%
Loans held for sale	18,512	221	4.79%	23,612	1,162	4.92%	18,827	239	5 09%
Noncovered loans, covered loans and loss share receivable	9,082,991	107,956	4.77%	8,529,303	433,308	5.08%	8,465,440	109,840	5.20%
Total earning assets	12,724,269	135,259	4.26%	11,756,985	550,502	4 68%	11,860,439	140,864	4.76%
Total allowance for loan losses	(143,721)			(116,118)			(116,436)		
Other assets	1,312,173			1,154,761			919,487		
Total assets	$ 14,481,208			$ 13,524,351			$ 13,426,271		
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits:									
Demand — non-interest bearing	$ 2,998,090	—	—	$ 2,550,849	—	—	$ 2,496,826	—	—
Demand — interest bearing	824,125	177	0.09%	794,497	751	0.09%	775,031	149	0 08%
Savings and money market accounts	5,279,353	7,398	0.56%	4,303,815	31,912	0 74%	4,278,756	7,873	0.74%
Certificates and other time deposits	2,363,170	5,606	0 95%	2,801,270	32,713	1.17%	3,049,788	9,510	1.25%
Total deposits	11,464,738	13,181	0 46%	10,450,431	65,376	0 63%	10,600,401	17,532	0.66%
Securities sold under agreements to repurchase	884,244	940	0.43%	907,015	4,477	0 49%	843,652	1,404	0.67%
Wholesale borrowings	325,057	1,653	2.04%	510,799	13,998	2.74%	526,963	3,111	2.37%
Total interest bearing liabilities	9,675,949	15,774	0 65%	9,317,396	83,851	0.90%	9,474,190	22,047	0.93%
Other liabilities	273,314			340,485			328,238		
Shareholders' equity	1,533,855			1,315,621			1,127,017		
Total liabilities and shareholders' equity	$ 14,481,208			$ 13,524,351			$ 13,426,271		
Net yield on earning assets	$ 12,724,269	119,485	3 77%	$ 11,756,985	466,651	3 97%	$ 11,860,439	118,817	4.02%
Interest rate spread			3.61%			3 78%			3 82%

Note: Interest income on tax-exempt securities and loans has been adjusted to a fully-taxable equivalent basis.

Nonaccrual loans have been included in the average balances.

Table of Contents

AVERAGE CONSOLIDATED BALANCE SHEETS (Unaudited)
Fully-tax Equivalent Interest Rates and Interest Differential

	Six months ended June 30, 2011			Year ended December 31, 2010			Six months ended June 30, 2010		
(Dollars in thousands)	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS									
Cash and due from banks	$ 554,732			$ 728,723			$ 640,234		
Investment securities and federal funds sold.									
U.S Treasury securities and U S Government agency obligations (taxable)	2,871,510	39,309	2 76%	2,554,538	87,019	3 41%	2,513,769	46,399	3 72%
Obligations of states and political subdivisions tax exempt)	363,182	9,934	5.52%	348,832	20,505	5 88%	348,300	10,349	5 99%
Other securities and federal funds sold	287,111	4,352	3 06%	300,700	8,508	2 83%	290,716	4,072	2 82%
Total investment securities and federal funds sold	3,521,803	53,595	3 07%	3,204,070	116,032	3.62%	3,152,785	60,820	3 89%
Loans held for sale	20,532	494	4 85%	23,612	1,162	4.92%	16,695	423	5 11%
Noncovered loans, covered loans and loss share receivable	9,100,729	222,520	4.93%	8,529,303	433,308	5 08%	7,805,827	193,429	5 00%
Total earning assets	12,643,064	276,609	4.41%	11,756,985	550,502	4.68%	10,975,307	254,672	4 68%
Allowance for loan losses noncovered	(138,920)			(116,118)			(115,738)		
Other assets	1,316,575			1,154,761			993,643		
Total assets	$ 14,375,452			$ 13,524,351			$ 12,493,446		
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits									
Demand — non-interest bearing	$ 2,936,827	—	—	$ 2,550,849	—	—	$ 2,324,339	—	—
Demand — interest bearing	832,787	361	0.09%	794,497	751	0 09%	729,876	301	0 08%
Savings and money market accounts	5,129,894	15,243	0.60%	4,303,815	31,912	0.74%	3,995,880	15,474	0 78%
Certificates and other time deposits	2,493,167	12,433	1 01%	2,801,270	32,713	1 17%	2,427,830	15,916	1 32%
Total deposits	11,392,675	28,037	0.50%	10,450,431	65,376	0 63%	9,477,925	31,691	0.67%
Securities sold under agreements to repurchase	866,306	1,855	0.43%	907,015	4,477	0.49%	897,490	2,531	0 57%
Wholesale borrowings	325,197	3,292	2.04%	510,799	13,998	2.74%	617,188	9,285	3 03%
Total interest bearing liabilities	9,647,351	33,184	0 69%	9,317,396	83,851	0 90%	8,668,264	43,507	1.01%
Other liabilities	266,184			340,485			391,253		
Shareholders' equity	1,525,090			1,315,621			1,109,590		
Total liabilities and shareholders' equity	$ 14,375,452			$ 13,524,351			$ 12,493,446		
Net yield on earning assets	$ 12,643,064	243,425	3 88%	$ 11,756,985	466,651	3 97%	$ 12,493,446	211,165	3 88%
Interest rate spread			3.71%			3 78%			3 66%

Note: Interest income on tax-exempt securities and loans has been adjusted to a fully-taxable equivalent basis.

Nonaccrual loans have been included in the average balances.

Table of Contents

HIGHLIGHTS OF SECOND QUARTER 2011 PERFORMANCE

Earnings Summary

The FirstMerit Corporation reported second quarter 2011 net income of $29.8 million, or $0 27 per diluted share This compares with $27.6 million, or $0.25 per diluted share, for the first quarter of 2011 and $31.5 million, or $0.32 per diluted share, for the second quarter 2010.

Returns on average common equity ("ROE") and average assets ("ROA") for the second quarter 2011 were 7.78% and 0.82%, respectively, compared with 7.37% and 0.78% for the first quarter of 2011 and 11 21% and 0.94% for the second quarter 2010

Net interest margin was 3.77% for the second quarter of 2011 compared with 4 00% for the first quarter of 2011 and 4.02% for the second quarter of 2010. The decline in net interest margin compared with the prior quarter was due to earning asset yields migrating lower in the quarter. This is attributed to the current interest rate environment producing lower yields on new loan originations and the reinvestment of security cash flows into the investment portfolio at rates below historic averages.

Average loans, not including covered loans, during the second quarter of 2011 increased $71.5 million, or 0.99%, compared with the first quarter of 2011 and $112.0 million, or 1.56%, compared with the second quarter of 2010. Overall loan growth was driven by an increase in average commercial loans of $111.8 million, or 2.45%, over the prior quarter and an increase of $289.3 million, or 6.61% over the year-ago quarter. Average covered loan balances including the indemnification asset were $1.8 billion, $1.9 billion, and $1.3 billion at June 30, 2011, March 31, 2011, and June 30, 2010, respectively.

Average deposits during the second quarter of 2011 increased $144.9 million, or 1.28%, compared with the first quarter of 2011 and increased $864.3 million, or 8.15%, compared with the second quarter of 2010. During the second quarter of 2011, the Corporation increased its average core deposits, which excludes time deposits, by $406.4 million, or 4.67%, compared with the first quarter of 2011, and $1.6 billion, or 20.54%, compared with the second quarter of 2010. Average time deposits decreased $261.4 million, or 9.96%, from the first quarter of 2011 and decreased $686 6 million, or 22.51% from the second quarter of 2010. The change in deposit mix over the prior quarter is due to the Corporation's strategy to retain the acquired depository customers and move them from certificate of deposit accounts into core deposit accounts.

Average investments during the second quarter of 2011 increased $203.1 million, or 5.94%, compared with the first quarter of 2011 and increased $246.6 million, or 7.30%, over the second quarter of 2010. The increase in the second quarter of 2011 average investments, compared with the first quarter of 2011, is due to the purchase of $390.5 million in securities in the second quarter of 2011.

Net interest income on a fully tax-equivalent ("FTE") basis was $119 5 million in the second quarter 2011 compared with $123 9 million in the first quarter of 2011 and $118.8 million in the second quarter of 2010. Compared with the first quarter of 2011, average earning assets increased $163.4 million, or 1.30%, and increased $863.8 million, or 7 28%, compared to the second quarter of 2010.

Noninterest income net of securities transactions for the second quarter of 2011 was $50 6 million, a decrease of $2.2 million, or 4.08%, from the first quarter of 2011 and a decrease of $2.0 million, or 3.72%, from the second quarter of 2010.

Table of Contents

The decrease in other income for the second quarter of 2011 compared to the first quarter of 2011 was driven by lower mortgage revenue, including loan sales and servicing, down $2.4 million from the prior quarter and lower bank owned life insurance income, down $2.2 million from the prior quarter. Other income, net of securities gains, as a percentage of net revenue for the second quarter of 2011 was 29.75% compared with 29.86% for first quarter of 2011 and 30.67% for the second quarter of 2010 Net revenue is defined as net interest income, on a FTE basis, plus other income, less gains from securities sales

Noninterest expense for the second quarter of 2011 was $110.1 million, a decrease of $4.4 million, or 3.82%, from the first quarter of 2011 and an increase of $4.3 million, or 4.11%, from the second quarter of 2010. The decrease in noninterest expense for the second quarter of 2011 compared with the first quarter of 2011 was driven by lower salary and benefits as well as reduced other expenses. For the three months ended June 30, 2011, increases in operating expenses compared to the second quarter of 2010 were primarily attributable to increased salary and benefits as a result of the three 2010 acquisitions.

During the second quarter of 2011, the Corporation reported an efficiency ratio of 64.39%, compared with 64.46% for the first quarter of 2011 and 61.30% for the second quarter of 2010.

Net charge-offs, excluding acquired loans, totaled $15.6 million, or 0.89% of average loans, excluding acquired loans, in the second quarter of 2011 compared with $17.0 million, or 0.99% of average loans, in the first quarter of 2011 and $19.8 million, or 1.15% of average loans, in the second quarter of 2010.

Nonperforming assets totaled $99.8 million at June 30, 2011, a decrease of $12.9 million compared with March 31, 2011 and a decrease of $9.9 million compared with June 30, 2010. *Nonperforming assets at June 30, 2011* represented *1.38%* of period-end loans plus other real estate, excluding acquired loans, compared with *1.61%* at March *31, 2011* and 1.62% at June 30, 2010.

The allowance for noncovered loan losses, totaled $109.2 million at June 30, 2011, a decrease of $5.5 million from March 31, 2011. At June 30, 2011, the allowance for loan losses noncovered was 1.51% of period-end loans compared with 1.64% at March 31, 2011, and 1.75% at December 31, 2010 The allowance for credit losses is the sum of the allowance for noncovered loan losses, and the reserve for unfunded lending commitments For comparative purposes the allowance for credit losses was 1.59% of period-end loans, excluding acquired loans, at June 30, 2011, compared with 1.74% at March 31, 2011 and 1.85% at December 31, 2010 The allowance for credit losses to nonperforming loans was 158.30% at June 30, 2011, compared with 147.38% at March 31, 2011 and 126.51% at December 31, 2010

The Corporation's total assets at June 30, 2011 were $14.3 billion, a decrease of $119 0 million inclusive of intangible assets, or 0.82%, compared with March 31, 2011 and a decrease of $173.9 million, or 1.20%, compared with June 30, 2010. Total loans, excluding covered loans, did not significantly change compared with March 31, 2011 and June 30, 2010. *The decrease in total assets compared with June 30, 2010, is attributed the decline in the covered loan portfolio as expected as there were no new acquisitions of loans subject to loss share* agreements after the quarter ended June 30, 2010. The covered loan portfolio will continue to decline, through payoffs, charge-offs, termination or expiration of loss share coverage, unless the Corporation acquires additional loans subject to loss share agreements in the future.

Total deposits were $11.3 billion at June 30, 2011, a decrease of $55.0 million, or 0 48%, from March 31, 2011 and a decrease of $174.2 million, or 1.51%, from June 30, 2010. Core deposits totaled $9.1 billion at June 30, 2011, an increase of $162.5 million, or 1.82%, from March 31, 2011 and an increase of $1.4 billion, or

Table of Contents

18.16%, from June 30, 2010. The increase in core deposits compared with June 30, 2010 is due to the Corporation's strategy to move customers from certificate of deposit accounts into core deposit products.

Shareholders' equity was $1.6 billion at June 30, 2011, compared with $1.5 billion at March 31, 2011 and June 30, 2010. The Corporation maintained a strong capital position as tangible common equity to assets was 7.79% at June 30, 2011, compared with 7.50% and 7.35% at March 31, 2011 and June 30, 2010, respectively. The common dividend per share paid in the second quarter 2011 was $0.16.

RESULTS OF OPERATION

Net Interest Income

Net interest income, the Corporation's principal source of earnings, is the difference between interest income generated by earning assets (primarily loans and investment securities) and interest paid on interest-bearing funds (namely customer deposits and wholesale borrowings). Net interest income is affected by market interest rates on both earning assets and interest bearing liabilities, the level of earning assets being funded by interest bearing liabilities, noninterest-bearing liabilities, the mix of funding between interest bearing liabilities, noninterest-bearing liabilities and equity, and the growth in earning assets.

Net interest income for the quarter ended June 30, 2011 was $117.4 million compared to $116.8 million for the quarter ended June 30, 2010. Net interest income for the six months ended June 30, 2011 was $239.3 million compared to $207.2 million for the six months ended June 30, 2010. For the purpose of this remaining discussion, net interest income is presented on an FTE basis, to provide a comparison among all types of interest earning assets. That is, interest on tax-free securities and tax-exempt loans has been restated as if such interest were taxed at the statutory Federal income tax rate of 35%, adjusted for the non-deductible portion of interest expense incurred to acquire the tax-free assets. Net interest income presented on an FTE basis is a non-GAAP financial measure widely used by financial services organizations, therefore, Management believes these measures provide useful information for both management and investors by allowing them to make peer comparisons. The FTE adjustment was $2.0 million and $2.1 million for the quarters ending June 30, 2011 and 2010, respectively. The FTE adjustment was $4.2 million and $4.0 million for the six months ended June 30, 2011 and 2010, respectively.

FTE net interest income for the quarter ended June 30, 2011 was $119.5 million compared to $118.8 million for the three months ended June 30, 2010. FTE net interest income for the six months ended June 30, 2011 was $243.4 million compared to $211.2 million for the six months ended June 30, 2010.

The impact of changes in the volume of interest-earning assets and interest-bearing liabilities and interest rates on net interest income is illustrated in the following table

Table of Contents

RATE/VOLUME ANALYSIS (Dollars in thousands)	Quarters ended June 30, 2011 and 2010 Increases (Decreases) Volume	Rate	Total	Six months ended June 30, 2011 and 2010 Increases (Decreases) Volume	Rate	Total
INTEREST INCOME — FTE						
Investment securities	$ 2,096	$ (5,799)	$ (3,703)	$ 6,956	$ (14,181)	$ (7,225)
Loans held for sale	(4)	(14)	(18)	93	(22)	71
Loans	7,700	(9,584)	(1,884)	31,603	(2,512)	29,091
Total interest income — FTE	$ 9,792	$ (15,397)	$ (5,605)	$ 38,652	$ (16,715)	$ 21,937
INTEREST EXPENSE						
Demand deposits-interest bearing	$ 10	$ 18	$ 28	$ 61	$ (1)	$ 60
Savings and money market accounts	1,624	(2,099)	(475)	3,926	(4,157)	(231)
Certificates of deposits and other time deposits	(1,893)	(2,011)	(3,904)	171	(3,654)	(3,483)
Securities sold under agreements to repurchase	64	(528)	(464)	(85)	(591)	(676)
Wholesale borrowings	(1,071)	(387)	(1,458)	(3,543)	(2,450)	(5,993)
Total interest expense	$ (1,266)	$ (5,007)	$ (6,273)	$ 530	$ (10,853)	$ (10,323)
Net interest income — FTE	*$ 11,058*	*$ (10,390)*	*$ 668*	$ 38,122	$ (5,862)	$ 32,260

The net interest margin is calculated by dividing net interest income FTE by average earning assets As with net interest income, the net interest margin is affected by the level and mix of earning assets, the proportion of earning assets funded by non-interest bearing liabilities, and the interest rate spread. In addition, the net interest margin is impacted by changes in federal income tax rates and regulations as they affect the tax-equivalent adjustment.

As loan growth remains muted in the Company's core Ohio and Chicago markets, incoming cash flows from the loan and investment securities portfolios were reinvested into lower-yielding, short duration securities. The decrease in the Corporation's net interest margin, compared with the second quarter of 2010, is attributable to lower yields on legacy loan portfolios, covered loans and the available for sale investment portfolio. Lower funding costs partially offset these declining yields.

The following table provides 2011 FTE net interest income and net interest margin totals as well as 2010 comparative amounts:

(Dollars in thousands)	Quarters ended June 30, 2011	2010	Six months ended June 30, 2011	2010
Net interest income	*$ 117,443*	*$ 116,767*	*$ 239,269*	*$ 207,161*
Tax equivalent adjustment	2,041	2,050	4,157	4,004
Net interest income — FTE	$ 119,484	$ 118,817	$ 243,426	$ 211,165
Average earning assets	$12,724,269	$11,860,439	$12,643,064	$10,975,307
Net interest margin — FTE	3.77%	4 02%	3.88%	3.88%

Average loans outstanding (excluding acquired loans) for the second quarter of the current year and prior year totaled $7.1 billion and $6 8 billion, respectively. While the Corporation is adding new commercial loans in both its core Ohio and newer Chicago markets, low credit line utilization by existing customers is mitigating new loan production with respect to overall portfolio balances

Table of Contents

Specific changes in average loans outstanding, compared to the second quarter 2010, were as follows: commercial loans were up $289.3 million, or 6.61%, home equity loans were down $27.8 million, or 3.64%; mortgage loans were down $39.5 million, or 9.02%, installment loans, both direct and indirect declined $107.2 million, or 7.78%; leases decreased $0 4 million, or 0.75%; and credit card loans decreased $2.4 million, or 1.61% Average covered loans have been separately stated and are described in more detail in Note 2 (Business Combinations). The majority of fixed-rate mortgage loan originations are sold to investors through the secondary mortgage loan market. Average outstanding loans, including covered loans and loss share receivable, for both of the 2011 and 2010 second quarters equaled 71.38% of average earning assets.

Average deposits were $11.5 billion during the 2011 second quarter, up $864 3 million, or 8.15%, from the same period last year For the quarter ended June 30, 2011, average core deposits (which are defined as checking accounts, savings accounts and money market savings products) increased $1.6 billion, or 20.54%, and represented 79.39% of total average deposits, compared to 71.23% for the 2010 second quarter. Average certificates of deposit ("CDs") decreased $686 6 million, or 22.51%, compared to the prior year. Average wholesale borrowings decreased $201 9 million, and as a percentage of total interest-bearing funds equaled 3.36% for the 2011 second quarter and 5.56% for the same quarter one year ago. Securities sold under agreements to repurchase remained flat, and as a percentage of total interest bearing funds equaled 9.14% for the 2011 second quarter and 8.90% for the 2010 second quarter. Average interest-bearing liabilities funded 76 04% of average earning assets in the current year quarter and 79.88% during the quarter ended June 30, 2010

Other Income

Excluding investment gains, other income for the quarter ended June 30, 2011 totaled $50.6 million, a decrease of $2.0 million from the $52.6 million earned during the same period one year ago. Other income as a percentage of net revenue (FTE net interest income plus other income, less security gains from securities) was 29.75%, compared to 30 67% for the same quarter one year ago

The decrease in other income for the 2011 second quarter as compared to the second quarter of 2010 was primarily attributable to a $2.0 million or 11.4% decrease in service charges on deposits as a result of the change in Regulation E pursuant to the Electronic Fund Transfer Act of 1978 relating to the charging of overdraft fees.

Other Expenses

Other (non-interest) expenses totaled $110.1 million for the second quarter 2011 compared to $105.7 million for the same 2010 quarter, an increase of $4.3 million, or 4.11% Other (non-interest) expenses totaled $224.5 million for the six months ended June 30, 2011 compared to $199.7 million for the six months ended June 30, 2010, an increase of $24.8 million, or 12 41%.

The primary changes in noninterest expense for the 2011 second quarter compared to the second quarter of 2010 were a $4.8 million or 9.28% increase in salary and benefits expense as a result of the three 2010 acquisitions, a $1 3 million or 58.77% decrease in Ohio franchise tax expense and a $1.5 million or 14.61% increase in real estate taxes on an increased number of other real estate properties.

The changes in other expenses for the six months ended June 30, 2011 compared to June 30, 2010 were similar to the quarterly analysis

The efficiency ratio for the second quarter 2011 was 64.39%, compared to 61.30% during the same period in 2010. The efficiency ratio indicates the percentage of operating costs that are used to

Table of Contents

generate each dollar of net revenue — that is during the second quarter 2011, 64 39 cents was spent to generate each $1 of net revenue. Net revenue is defined as net interest income, on a tax-equivalent basis, plus other income less gains from the sales of securities.

Federal Income Taxes

Federal income tax expense was $11.5 million and $12.1 million for the quarters ended June 30, 2011 and 2010, respectively. The effective federal income tax rate for the second quarter 2011 was 27.84%, compared to 27.80% for the same quarter 2010.

FINANCIAL CONDITION

Acquisitions

On February 19, 2010, the Bank completed the acquisition of certain assets and the transfer of certain liabilities with respect to 24 branches of First Bank located in the greater Chicago, Illinois, area. The Bank acquired assets with an acquisition date fair value of approximately $1.2 billion, including $275.6 million of loans, and $42.0 million of premises and equipment, and assumed $1.2 billion of deposits. The Bank received cash of $832.5 million to assume the net liabilities. The Bank recorded a core deposit intangible asset of $3.2 million and goodwill of $48.3 million.

On February 19, 2010, the Bank entered into a purchase and assumption agreement with loss share with the FDIC, as receiver of George Washington, to acquire deposits, loans, and certain other liabilities and certain assets of in a whole-bank acquisition of George Washington. The Bank acquired assets with a fair value of approximately $369.3 million, including $177.8 million of loans, $15.4 million of investment securities, $58.0 million of cash and due from banks, $11.5 million in other real estate owned, and $408.4 million in liabilities, including $400.7 million of deposits. The Bank recorded a core deposit intangible asset of $1.0 million and received a cash payment from the FDIC of approximately $40.2 million. The loans and other real estate owned acquired are covered by loss share agreements between the Bank and the FDIC which afford the Bank significant protection against future losses. As part of the agreements, the Bank has recorded a loss share receivable from the FDIC that represents the estimated fair value of the FDIC's portion of the losses that are expected to be incurred and reimbursed to the Bank. The loss share receivable associated with the acquired covered loans was $88 7 million as of the date acquisition and is classified as part of covered loans in the consolidated balance sheets. The loss share receivable associated with the acquired other real estate owned was $11.3 million as of the date acquisition and is classified as part of other real estate covered by FDIC loss share in the consolidated balance sheets. The transaction resulted in a gain on acquisition of $1.0 million, which is included in noninterest income in the consolidated statements of income and comprehensive income. On July 10, 2010, the Corporation successfully completed the operational and technical migration of George Washington.

On May 14, 2010, the Bank entered into a purchase and assumption agreement with loss share with the FDIC, as receiver of Midwest, to acquire substantially all of the loans and certain other assets and assume substantially all of the deposits and certain liabilities in a whole-bank acquisition of Midwest. The Bank acquired assets with a fair value of approximately $3.2 billion, including $1.8 billion of loans, $564.2 million of investment securities, $279.4 million of cash and due from banks, $26.2 million in other real estate owned, and $3.0 billion in liabilities, including $2.3 billion of deposits. The Bank recorded a core deposit intangible asset of $7.4 million and has made a cash payment to the FDIC of approximately $227.5 million. The loans and other real estate owned acquired are covered by loss share agreements between the Bank and the FDIC which afford the Bank significant protection against future losses. As part of the agreements, the Bank has recorded a loss share receivable from the FDIC that represents the estimated fair value of the FDIC's portion of the losses that are expected to be incurred and reimbursed to the Bank. The loss share receivable associated with the acquired covered loans was $260.7 million as of the date acquisition and is classified as part of covered loans in the consolidated balance sheets. The loss share receivable associated with the acquired other real estate owned was $2.2 million as of the date acquisition and is classified as part of other real estate covered by FDIC loss share in the consolidated balance sheets. The transaction resulted in goodwill of $272.1 million. On October 9, 2010, the Corporation successfully completed the operational and technical migration of Midwest.

The three acquisitions of First Bank, George Washington and Midwest acquisitions were considered business combinations and accounted for under FASB ASC 805 All acquired assets and liabilities were recorded at their estimated fair value. The one year measurement period for the three acquisitions expired before June 30, 2011. Material adjustments to acquisition date estimated fair values were recorded in the period in which the acquisition occurred and, as a result, previously reported results are subject to change. Certain reclassifications of prior periods' amounts may also be made to conform to the current period's presentation and would have no effect on previously reported net income amounts

During the quarter ended March 31, 2011, the Corporation obtained additional information that resulted in changes to certain acquisition-data fair value estimates relating to the Midwest acquisition. These purchase accounting adjustments have resulted in a decrease to goodwill of approximately $19.1 million to $272.1 million as of the date of the acquisition, May 14, 2010. Prior period amounts appropriately reflect these adjustments.

See Note 2 (Business Combinations), in the notes to unaudited consolidated financial statements for additional information related to the details of these transactions.

Investment Securities

At June 30, 2011, total investment securities were $3.7 billion compared to $3.2 billion at December 31, 2010 and $3.0 billion at June 30, 2010. Available-for-sale securities were $3.5 billion at June 30, 2011 compared to $3.0 billion at December 31, 2010 and $3.1 billion at June 30, 2010. The available-for-sale securities are held primarily for liquidity, interest rate risk management and long-term yield enhancement. Accordingly, the Corporation's investment policy is to invest in securities with low credit risk, such as U.S. Treasury securities, U.S. Government agency obligations, state and political obligations and mortgage-backed securities. The increase in the second quarter of available-for-sale securities compared with the year ended December 31, 2010 is due to the purchase of $939.7 million of securities in the six months ended June 30, 2011.

In the first half of 2011, the Corporation invested in mortgage-backed securities issued by the National Credit Union Administration and guaranteed by the U.S. Government with a book value at the end of the second quarter totaling $93.7 million. These securities are floating rate tied to one-month LIBOR with interest rate caps ranging from seven to eight percent. This portfolio had a market value of $93.8 million at June 30, 2010

Held-to-maturity securities totaled $80 9 million at June 30, 2011 compared to $60.0 million at December 31, 2010 and $65 2 million at June 30, 2010 and consist principally of securities issued by state and political subdivisions.

Other investments totaled $160.8 million at June 30, 2011 and December 31, 2010, compared to $160.2 million at June 30, 2010 and consisted primarily of FHLB and FRB stock.

Table of Contents

Net unrealized gains were $79.5 million, $53 4 million and $87.3 million at June 30, 2011, December 31, 2010, and June 30, 2010, respectively. The improvement in the fair value of the investment securities is driven by government agency securities held in portfolio.

The Corporation conducts a regular assessment of its investment securities to determine whether any securities are OTTI. Only the credit portion of OTTI is to be recognized in current earnings for those securities where there is no intent to sell or it is more likely than not the Corporation would not be required to sell the security prior to expected recovery. The remaining portion of OTTI is to be included in accumulated other comprehensive loss, net of income tax.

Gross unrealized losses of $12.5 million, compared to $21.3 million as of December 31, 2010, and $18.1 million at June 30, 2010 were concentrated within trust preferred securities held in the investment portfolio. The Corporation holds eight, single issuer, trust preferred securities. Such investments are less than 2% of the fair value of the entire investment portfolio. None of the bank issuers have deferred paying dividends on their issued trust preferred shares in which the Corporation is invested. The fair values of these investments have been impacted by market conditions which have caused risk premiums to increase markedly resulting in the decline in the fair value of the Corporation's trust preferred securities However, prices are recovering from their lows reflecting increased liquidity for these securities as well as an improvement in the credit profile of the issuers as improving.

Further detail of the composition of the securities portfolio and discussion of the results of the most recent OTTI assessment are in Note 3 (Investment Securities) to the consolidated financial statements.

Loans

Loans acquired under Loss Share Agreements with the FDIC include the amounts of expected reimbursements from the FDIC under these agreements and are presented as "covered loans" below. Loans not subject to Loss Share Agreements are presented below as "non-covered loans". Total non-covered loans increased from prior quarter by $206.1 million or 2.86% and increased from June 30, 2010 by $304.8 million or 4.29%. While the Corporation is adding new commercial loans in both its core Ohio and newer Chicago, Illinois markets, low credit line utilization by existing customers is mitigating new loan production with respect to the overall portfolio balances.

Table of Contents

Total covered loans, including the loss share receivable, decreased from prior quarter by $221.6 million or 11.21% and decreased from June 30, 2010 by $504.4 million or 22.32%.

	As of June 30, 2011	As of December 31, 2010	As of June 30, 2010
		(In thousands)	
Commercial loans	$4,808,305	$ 4,527,497	$4,335,392
Mortgage loans	400,661	403,843	430,550
Installment loans	1,259,072	1,308,860	1,370,400
Home equity loans	738,719	749,378	762,288
Credit card loans	143,828	149,506	146,253
Leases	57,634	63,004	58,555
Total non-covered loans	7,408,219	7,202,088	7,103,438
Allowance for noncovered loan losses	(109,187)	(114,690)	(118,343)
Net non-covered loans	7,299,032	7,087,398	6,985,095
Covered loans(*)	1,755,107	1,976,754	2,259,522
Allowance for covered loan losses	(33,360)	(13,733)	—
Net covered loans	1,721,747	1,963,021	2,259,522
Net loans	$9,020,779	$ 9,050,419	$9,244,617

* Includes loss share receivable of $239 million, $289 million and $344 million as of June 30, 2011, December 31, 2010 and June 30, 2010, respectively.

The Corporation has approximately $5.3 billion of loans secured by real estate. Approximately 92.55% of the property underlying these loans is located within the Corporation's primary market area of Ohio, Western Pennsylvania, and Chicago, Illinois.

Allowance for Loan Losses and Reserve for Unfunded Commitments

The Corporation maintains what Management believes is an adequate allowance for loan losses. The Corporation and FirstMerit Bank regularly analyze the adequacy of their allowance through ongoing review of trends in risk ratings, delinquencies, nonperforming assets, charge-offs, economic conditions, and changes in the composition of the loan portfolio. Notes 1 (Summary of Significant Accounting Polices) and 4 (Loans and Allowance for Loan Losses) in 2010 Form 10-K provide detailed information regarding the Corporation's credit policies and practices.

The Corporation uses a vendor based loss migration model to forecast losses for commercial loans. The model creates loss estimates using twelve-month (monthly rolling) vintages and calculates cumulative three years loss rates within two different scenarios. One scenario uses five year historical performance data while the other one uses two year historical data. The calculated rate is the average cumulative expected loss of the two and five year data set. As a result, this approach lends more weight to the more recent performance.

Management also considers internal and external factors such as economic conditions, loan management practices, portfolio monitoring, and other risks, collectively known as qualitative factors or Q-factors, to estimate credit losses in the loan portfolio. Q-factors are used to reflect changes in the portfolio's collectability characteristics not captured by historical loss data

Acquired loans are recorded at acquisition date at their acquisition date fair values, and, therefore, are excluded from the calculation of loan loss reserves as of the acquisition date. To the extent there is a decrease in the present value of cash flows from Acquired Impaired Loans after the date of acquisition, the Corporation records an allowance for loan losses, net of expected reimbursement under any Loss Share Agreements. These expected reimbursements are recorded as part of covered loans in the accompanying consolidated balance sheets. During the quarter ended June 30, 2010, the Corporation increased its allowance for covered loan losses

Table of Contents

to $33.4 million to reserve for estimated additional losses on certain Acquired Impaired Loans. The increase in the allowance was recorded by a charge to the provision for covered loan losses of $15.2 million and an increase of $7.7 million in the loss share receivable for the portion of the losses recoverable under the Loss Share Agreements.

For acquired loans that are not deemed impaired at acquisition, credit discounts representing the principal losses expected over the life of the loan are a component of the initial fair value. Subsequent to the purchase date, the methods utilized to estimate the required allowance for loan losses for these loans is similar to originated loans, however, the Corporation records a provision for loan losses only when the required allowance, net of any expected reimbursement under any Loss Share Agreements, exceeds any remaining credit discounts The Corporation recognized a provision for loan losses on Acquired Non-Impaired Loans of $0.9 million in the quarter ended June 30, 2011.

At June 30, 2011, the allowance for loan losses on noncovered loans was $109 2 million, or 1.51% of loans outstanding, excluding acquired loans, compared to $114.7 million, or 1.65%, at year-end 2010 and $118.3 million, or 1.75%, for the quarter ended June 30, 2010. The allowance equaled 150 31% of nonperforming loans at June 30, 2011, compared to 109.56% at year-end 2010, and 119 62% for June 30, 2010. During 2008, additional reserves were established to address identified risks associated with the slowdown in the housing markets and the decline in residential and commercial real estate values. These reserves totaled $11.9 million, $13.4 million, and $20.0 million at June 30, 2011, December 31, 2010, and June 30, 2010, respectively. The increase in the additional allocation augmented the increase in the calculated loss migration analysis as the loans were downgraded during 2010. Nonperforming loans have decreased by $26.3 million over June 30, 2010, and $32 0 million over December 31, 2010 primarily attributable to the improving economic conditions.

Net charge-offs on noncovered loans were $15.6 million for the second quarter ended 2011 compared to $84.2 million for year-end 2010 and $19.8 million in the second quarter ended 2010. As a percentage of average loans outstanding, excluding acquired loans, net charge-offs equalled 0 89%, 1.23%, and 1.15% for June 30, 2011, December 31, 2010, and June 30, 2010, respectively. Losses are charged against the allowance for loan losses as soon as they are identified.

The allowance for unfunded lending commitments at June 30, 2011, December 31, 2010, and June 30, 2010 was $5.8 million, $8.8 million and $6.8 million, respectively. The allowance for credit losses, which includes both the allowance for loan losses and the reserve for unfunded lending commitments, amounted to $115.0 million at second quarter-end 2011, $123.5 million at year-end 2010 and $125.2 million at second quarter-end 2010.

Allowance for Credit Losses

The allowance for credit losses is the sum of the allowance for loan losses and the reserve for unfunded lending commitments.

Table of Contents

	Quarter ended June 30, 2011	Year Ended December 31, 2010	Quarter ended June 30, 2010
		(In thousands)	
Allowance for Noncovered Loan Losses			
Allowance for loan losses-beginning of period	$ 114,690	$ 115,092	$ 117,806
Provision for loan losses	10,138	83,783	20,366
Net charge-offs	(15,641)	(84,185)	(19,829)
Allowance for loan losses-end of period	$ 109,187	$ 114,690	$ 118,343
Reserve for Unfunded Lending Commitments			
Balance at beginning of period	$ 7,202	$ 5,751	$ 6,337
Provision for credit losses	(1,403)	3,098	475
Balance at end of period	$ 5,799	$ 8,849	$ 6,812
Allowance for credit losses	$ 114,986	$ 123,539	$ 125,155
Annualized net charge-offs as a % of average loans	0.89%	1.23%	1.15%
Allowance for noncovered loan losses:			
As a percentage of period-end loans, excluding acquired loans (a)	1.51%	1.65%	1.75%
As a percentage of nonperforming loans	150.31%	109.56%	119.62%
As a multiple of annualized net charge offs	1.74x	1.36x	1.49x
Allowance for credit losses:			
As a percentage of period-end loans, excluding acquired loans (a)	1.59%	1.78%	1.85%
As a percentage of nonperforming loans	158.30%	118.01%	126.51%
As a multiple of annualized net charge offs	1.83x	1.47x	1.57x

(a) Excludes loss share receivable

The allowance for credit losses decreased $8.6 million from December 31, 2010 to June 30, 2011, and decreased $10.2 million from June 30, 2010 to June 30, 2011.

The following tables show the overall credit quality by specific asset and risk categories.

Table of Contents

Allowance for Loan Losses Components: (In thousands)	At June 30, 2011 Loan Type C&I	CRE and Construction	Leases	Installment	Home Equity Lines	Credit Cards	Residential Mortgages	Total
Individually Impaired Loan Component:								
Loan balance	$ 3,216	$ 51,527	$ —	$ —	$ —	$ —	$ —	$ 54,743
Allowance	245	4,206	—	—	—	—	—	4,451
Collective Loan Impairment Components:								
Credit risk-graded loans								
Grade 1 loan balance	47,596	12,205	—					59,801
Grade 1 allowance	18	—	6					24
Grade 2 loan balance	98,521	2,786	—					101,307
Grade 2 allowance	124	8	—					132
Grade 3 loan balance	439,392	256,939	4,451					700,782
Grade 3 allowance	889	982	10					1,881
Grade 4 loan balance	1,740,677	1,657,642	53,177					3,451,496
Grade 4 allowance	18,658	17,611	336					36,605
Grade 5 (Special Mention) loan balance	41,771	97,656	—					139,427
Grade 5 allowance	1,895	4,674	—					6,569
Grade 6 (Substandard) loan balance	44,474	147,787	6					192,267
Grade 6 allowance	6,537	13,341	1					19,879
Grade 7 (Doubtful) loan balance	—	152	—					152
Grade 7 allowance	—	—	—					—
Consumer loans based on payment status:								
Current loan balances				1,238,299	713,297	141,620	379,942	2,473,158
Current loans allowance				15,248	5,481	6,708	4,566	32,003
30 days past due loan balance				9,636	2,086	915	9,559	22,196
30 days past due allowance				1,113	551	486	538	2,688
60 days past due loan balance				3,243	835	496	1,560	6,134
60 days past due allowance				1,191	495	386	269	2,341
90+ days past due loan balance				5,055	571	797	8,129	14,552
90+ days past due allowance				537	615	823	639	2,614
Total loans	$ 2,415,647	$ 2,226,694	$ 57,634	$ 1,256,233	$ 716,789	$ 143,828	$ 399,190	$ 7,216,015
Total Allowance for Loan Losses	$ 28,366	$ 40,822	$ 353	$ 18,089	$ 7,142	$ 8,403	$ 6,012	$ 109,187

Total loans exclude acquired loans, including covered loans

Table of Contents

Allowance for Loan Losses Components: (In thousands)	C&I	CRE and Construction	Leases	Installment	Home Equity Lines	Credit Cards	Residential Mortgages	Total
	At December 31, 2010 — Loan Type							
Individually Impaired Loan Component:								
Loan balance	$ 5,675	$ 77,547	$ —	$ —	$ —	$ —	$ —	$ 83,222
Allowance	—	5,228	—	—	—	—	—	5,228
Collective Loan Impairment Components·								
Credit risk-graded loans								
Grade 1 loan balance	66,802	16,688	8,069					91,559
Grade 1 allowance	38	—	8					46
Grade 2 loan balance	64,740	11,162	—					75,902
Grade 2 allowance	93	29	—					122
Grade 3 loan balance	260,351	318,260	11,414					590,025
Grade 3 allowance	694	1,214	35					1,943
Grade 4 loan balance	1,471,255	1,598,023	43,210					3,112,488
Grade 4 allowance	18,113	15,875	415					34,403
Grade 5 (Special Mention) loan balance	61,284	95,209	311					156,804
Grade 5 allowance	2,814	3,749	17					6,580
Grade 6 (Substandard) loan balance	55,720	187,590	—					243,310
Grade 6 allowance	8,012	13,111	—					21,123
Grade 7 (Doubtful) loan balance	2	—	—					2
Grade 7 allowance	—	—	—					—
Consumer loans based on payment status:								
Current loan balances				1,279,307	722,351	145,624	375,022	2,522,304
Current loans allowance				16,597	5,472	8,148	3,621	33,838
30 days past due loan balance				14,486	2,500	1,570	10,574	29,130
30 days past due allowance				1,954	668	871	408	3,901
60 days past due loan balance				4,491	755	975	1,665	7,886
60 days past due allowance				1,643	441	759	194	3,037
90+ days past due loan balance				7,059	744	1,337	14,815	23,955
90+ days past due allowance				1,361	636	1,329	1,143	4,469
Total loans	$ 1,985,829	$ 2,304,479	$ 63,004	$ 1,305,343	$ 726,350	$ 149,506	$ 402,076	$ 6,936,587
Total Allowance for Loan Losses	$ 29,764	$ 39,206	$ 475	$ 21,555	$ 7,217	$ 11,107	$ 5,366	$ 114,690

Total loans exclude acquired loans, including covered loans.

Table of Contents

Allowance for Loan Losses Components: (In thousands)	At June 30, 2010 Loan Type C&I	CRE and Construction	Leases	Installment	Home Equity Lines	Credit Cards	Residential Mortgages	Total
Individually Impaired Loan Component:								
Loan balance	$ 9,489	$ 64,382	$ —	$ —	$ —	$ —	$ —	$ 73,871
Allowance	1,837	7,797	—	—	—	—	—	9,634
Collective Loan Impairment Components:								
Credit risk-graded loans								
Grade 1 loan balance	98,958	2,036	8,403					109,397
Grade 1 allowance	69	—	7					76
Grade 2 loan balance	48,864	20,254	57					69,175
Grade 2 allowance	61	37	—					98
Grade 3 loan balance	332,868	483,704	11,734					828,306
Grade 3 allowance	825	1,276	36					2,137
Grade 4 loan balance	1,033,871	1,646,857	37,787					2,718,515
Grade 4 allowance	10,937	15,190	375					26,502
Grade 5 (Special Mention) loan balance	44,203	70,421	574					115,198
Grade 5 allowance	1,797	3,325	26					5,148
Grade 6 (Substandard) loan balance	73,614	111,004	—					184,618
Grade 6 allowance	8,473	13,796	—					22,269
Grade 7 (Doubtful) loan balance	189	396	—					585
Grade 7 allowance	10	24	—					34
Consumer loans based on payment status:								
Current loan balances				1,350,571	736,949	142,393	394,733	2,624,646
Current loans allowance				20,250	6,691	9,688	3,893	40,522
30 days past due loan balance				10,008	2,438	1,354	12,455	26,255
30 days past due allowance				1,706	808	868	630	4,012
60 days past due loan balance				2,988	562	947	4,050	8,547
60 days past due allowance				1,379	412	859	643	3,293
90+ days past due loan balance				1,692	390	1,559	17,186	20,827
90+ days past due allowance				1,302	455	1,784	1,077	4,618
Total loans	$ 1,642,056	$ 2,399,054	$ 58,555	$ 1,365,259	$ 740,339	$ 146,253	$ 428,424	$ 6,779,940
Total Allowance for Loan Losses	$ 24,009	$ 41,445	$ 444	$ 24,637	$ 8,366	$ 13,199	$ 6,243	$ 118,343

Total loans exclude acquired loans, including covered loans

Asset Quality

Making a loan to earn an interest spread inherently includes taking the risk of not being repaid. Successful management of credit risk requires making good underwriting decisions, carefully administering the loan portfolio and diligently collecting delinquent accounts.

The Corporation's Credit Policy Division manages credit risk by establishing common credit policies for its subsidiaries, participating in approval of their largest loans, conducting reviews of their loan portfolios, providing them with centralized consumer underwriting, collections and loan operations services, and overseeing their loan workouts. Notes 1 (Summary of Significant Accounting Policies) and 4 (Loans Allowance for Loan Losses) in the 2010 Form 10-K provide detailed information regarding the Corporation's credit policies and practices.

The Corporation's objective is to minimize losses from its commercial lending activities and to maintain consumer losses at acceptable levels that are stable and consistent with growth and profitability objectives.

Nonperforming Loans are defined as follows:

- **Nonaccrual loans** on which interest is no longer accrued because its collection is doubtful
- **Restructured loans** on which, due to deterioration in the borrower's financial condition, the original terms have been modified in favour of the borrower or either principal or interest has been forgiven.

Table of Contents

Nonperforming Assets are defined as follows:

- **Nonaccrual loans** on which interest is no longer accrued because its collection is doubtful.
- **Restructured loans** on which, due to deterioration in the borrower's financial condition, the original terms have been modified in favour of the borrower or either principal or interest has been forgiven.
- **Other real estate (ORE)** acquired through foreclosure in satisfaction of a loan.

(Dollars in thousands)	June 30, 2011	December 31, 2010	June 30, 2010
Nonperforming commercial loans	$ 63,688	$ 89,828	$ 84,535
Other nonaccrual loans:	8,951	14,859	14,394
Total nonperforming loans	72,639	104,687	98,929
Other real estate ("ORE")	27,207	18,815	10,852
Total nonperforming assets	$ 99,846	$ 123,502	$ 109,781
Loans past due 90 day or more accruing interest	$ 10,424	$ 22,017	$ 36,932
Total nonperforming assets as a percentage of total loans and ORE	1.38%	1 78%	1.62%

Commercial nonperforming loans decreased $26.1 million from December 31, 2010 and $20 8 million from June 30, 2010 reflecting movement of assets for disposition into other real estate along with loan payments. New nonperforming commercial loans have continued to decline from December 31, 2010 through June 30, 2011. Total other real estate increased $8.4 million from December 31, 2010 and $16.4 million from June 30, 2010, reflecting economic stress. While Management expects ORE balances to remain elevated reflecting post economic stress, Management expects that inflows will slow over the course of 2011

The consumer portfolio is stable and improving. 30 day delinquency levels within the portfolio have decreased by $19.2 million or 30 48% compared to the quarter ending December 31, 2010 and decreased $17.2 million or 28 26% compared to the quarter ended June 30, 2010. Delinquency trends are observable in the Allowance for Loan Loss Allocation tables within this section. Additionally the overall consumer portfolio has decreased by $69.3 million or 2.65% compared to the quarter ending December 31, 2010 and decreased $167.2 million or 6.17% compared to the quarter ended June 30, 2010. Average FICO scores on the consumer portfolio subcomponents are excellent with average scores on installment loans at 737, home equity lines at 764, residential mortgages at 722 and credit cards at 725. Net charge offs within the consumer portfolio were $7.8 million, down $1.9 million from the quarter ended March 31, 2011, and down $5.2 million from the quarter ended June 30, 2011. Annualized net charge offs on the total consumer portfolio were 1.16% in the quarter ended June 30, 2011 compared to 1.82% in the quarter ended June 30, 2010.

In June 30, 2011 and December 31, 2010 nonperforming assets, other real estate includes $0 8 million of vacant land no longer considered for branch expansion which are not related to loan portfolios.

Commercial criticized loans decreased $48.6 million from December 31, 2010, and $46.2 million from June 30, 2010.

Table of Contents

See Note 1 (*Summary of Significant Accounting Policies*) of the 2010 Form 10-K for a summary of the Corporation's nonaccrual and charge-off policies.

The following table is a nonaccrual commercial loan flow analysis:

	Quarters Ended				
	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010
			(In thousands)		
Nonaccrual commercial loans beginning of period	$ 71,246	$ 89,828	$ 91,646	$ 84,535	$ 94,798
Credit Actions:					
New	5,219	7,876	20,385	19,625	4,419
Loan and lease losses	(4,469)	(4,717)	(5,750)	(6,381)	(6,071)
Charged down	(3,877)	(3,207)	(7,679)	(4,139)	(1,730)
Return to accruing status	(334)	(524)	(1,829)	(200)	(1,575)
Payments	(4,097)	(18,009)	(6,945)	(1,795)	(5,306)
Nonaccrual commercial loans end of period	$ 63,688	$ 71,246	$ 89,828	$ 91,646	$ 84,535

In certain circumstances, the Corporation may modify the terms of a loan to maximize the collection of amounts due when a borrower is experiencing financial difficulties or is expected to experience difficulties in the near-term. In most cases the modification is either a concessionary reduction in interest rate, extension of the maturity date or modification of the adjustable rate provisions of the loan that would otherwise not be considered. Concessionary modifications are classified as TDRs unless the modification is short-term (30 to 90 days). All amounts due, including interest accrued at the contractual interest rate, are expected to be collected TDRs return to accrual status once the borrower complies with the revised terms and conditions and has demonstrated repayment performance at a level commensurate with the modified terms over several payment cycles. A sustained period of repayment performance would be a minimum of six consecutive payment cycles from the date of restructure.

Our TDR portfolio, excluding Covered Loans, is predominately composed of consumer installment loans, first and second lien residential mortgages and home equity lines of credit which total, in aggregate, $34.3 million or 36.93% of our total TDR portfolio as of June 30, 2011. We restructure residential mortgages in a variety of ways to help our clients remain in their homes and to mitigate the potential for additional losses. The primary restructuring methods being offered to our residential clients are reductions in interest rates and extensions in terms. Modifications of mortgages retained in portfolio are handled using proprietary modification guidelines, or the FDIC's Modification Program for residential first mortgages covered by Loss Share Agreements. The Corporation participates in the U.S. Treasury's Home Affordable Modification Program for originated mortgages sold to and serviced for Fannie Mae and Freddie Mac.

In addition, the Corporation has also modified certain loans according to provisions in Loss Share Agreements. Losses associated with modifications on these loans, including the economic impact of interest rate reductions, are generally eligible for reimbursement under the Loss Share Agreements.

Acquired loans restructured after acquisition are not considered TDRs for purposes of the Corporation's accounting and disclosure if the loans evidenced credit deterioration as of the acquisition date and are accounted for in pools.

Table of Contents

Deposits, Securities Sold Under Agreements to Repurchase and Wholesale Borrowings

The following ratios and table provide additional information about the change in the mix of customer deposits.

	Quarter Ended June 30, 2011		Year Ended December 31, 2010		Quarter Ended June 30, 2010	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
			(Dollars in thousands)			
Non-interest DDA	$ 2,998,090	—	$ 2,550,849	—	$ 2,496,826	—
Interest-bearing DDA	824,125	0.09%	794,497	0.09%	775,031	0.08%
Savings and money market accounts	5,279,353	0.56%	4,303,815	0 74%	4,278,756	0.74%
CDs and other time deposits	2,363,170	0.95%	2,801,270	1.17%	3,049,788	1.25%
Total customer deposits	11,464,738	0.46%	10,450,431	0 63%	10,600,401	0.66%
Securities sold under agreements to repurchase	884,244	0 43%	907,015	0.49%	843,652	0.67%
Wholesale borrowings	325,057	2.04%	510,799	2.74%	526,963	2.37%
Total funds	$12,674,039		$11,868,245		$11,971,016	

Average demand deposits comprised 33 34% of average deposits in the 2011 second quarter compared to 30.87% in the 2010 second quarter. Savings accounts, including money market products, made up 46.05% of average deposits in the 2011 second quarter compared to 40.36% in the 2010 second quarter. CDs made up 20.61% of average deposits in the second quarter 2011 and 28.77% in the second quarter 2010.

The average cost of deposits, securities sold under agreements to repurchase and wholesale borrowings was down 60 basis points compared to one year ago, or 0 12% for the quarter ended June 30, 2011.

The following table summarizes CDs of $100 thousand or more ("Jumbo CDs") as of June 30, 2011, by time remaining until maturity:

Time until maturity:	Amount (In thousands)
Under 3 months	$ 263,352
3 to 6 months	146,185
6 to 12 months	175,731
Over 1 year through 3 years	132,016
Over 3 years	35,430
	$ 752,714

Capital Resources

The capital management objectives of the Corporation are to provide capital sufficient to cover the risks inherent in the Corporation's businesses, to maintain excess capital to well-capitalized standards and to assure ready access to the capital markets.

Table of Contents

Shareholder's Equity

Shareholders' equity at June 30, 2011 totaled $1.6 billion compared to $1.5 billion at December 31, 2010 and June 30, 2010. The cash dividend of $0.16 per share paid in the second quarter has an indicated annual rate of $0.64 per share.

Capital Availability

During the quarter ended June 30, 2010, the Corporation closed and completed a sale of a total of 17,600,160 common shares, no par value, at $19.00 per share in a public underwritten offering The net proceeds from the offering were approximately $320 1 million after deducting underwriting discounts, commissions and expenses of the offering.

Capital Adequacy

Capital adequacy is an important indicator of financial stability and performance. The Corporation maintained a strong capital position as tangible common equity to assets was 7.79% at June 30, 2011, compared to 7.59% at December 31, 2010, and 7.35% at June 30, 2010

Financial institutions are subject to a strict uniform system of capital-based regulations. Under this system, there are five different categories of capitalization, with "prompt corrective actions" and significant operational restrictions imposed on institutions that are capital deficient under the categories. The five categories are: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized.

To be considered well capitalized, an institution must have a total risk-based capital ratio of at least 10%, a Tier I capital ratio of at least 6%, a leverage capital ratio of at least 5%, and must not be subject to any order or directive requiring the institution to improve its capital level An adequately capitalized institution has a total risk-based capital ratio of at least 8%, a Tier I capital ratio of at least 4% and a leverage capital ratio of at least 4%. Institutions with lower capital levels are deemed to be undercapitalized, significantly undercapitalized or critically undercapitalized, depending on their actual capital levels. The appropriate federal regulatory agency may also downgrade an institution to the next lower capital category upon a determination that the institution is in an unsafe or unsound practice. Institutions are required to monitor closely their capital levels and to notify their appropriate regulatory agency of any basis for a change in capital category.

The George Washington and Midwest FDIC-assisted transactions, which were accounted for as business combinations, resulted in the recognition of an FDIC indemnification asset, which represents the fair value of estimated future payments by the FDIC to the Corporation for losses on covered assets. The FDIC indemnification asset, as well as covered assets, are risk-weighted at 20% for regulatory capital requirement purposes.

As of June 30, 2011, the Corporation, on a consolidated basis, as well as FirstMerit Bank, exceeded the minimum capital levels of the well capitalized category.

Table of Contents

	June 30, 2011		December 31, 2010		June 30, 2010	
			(Dollars in thousands)			
Consolidated						
Total equity	$ 1,550,387	10.81%	$ 1,507,715	10.67%	$ 1,505,345	10.37%
Common equity	1,550,387	10.81%	1,507,715	10.67%	1,505,345	10.37%
Tangible common equity (a)	1,081,018	7.79%	1,037,260	7.59%	1,032,878	7.35%
Tier 1 capital (b)	1,088,108	11.51%	1,061,466	11.57%	1,035,466	11.24%
Total risk-based capital (c)	1,206,613	12.77%	1,176,429	12.82%	1,150,709	12.49%
Leverage (d)	1,088,108	7.80%	1,061,466	7.61%	1,035,466	8.01%
Bank Only						
Total equity	$ 1,358,025	9.48%	$ 1,421,123	10.07%	$ 1,294,334	8.92%
Common equity	1,468,054	10.25%	1,421,123	10.07%	1,404,402	9.68%
Tangible common equity (a)	998,685	7.21%	950,668	6.97%	931,935	6.64%
Tier 1 capital (b)	1,001,429	10.62%	970,566	10.58%	930,451	10.13%
Total risk-based capital (c)	1,115,310	11.83%	1,081,203	11.79%	1,041,369	11.33%
Leverage (d)	1,001,429	7.19%	970,566	6.90%	930,451	7.13%

a) Common equity less all intangibles; computed as a ratio to total assets less intangible assets.

b) Shareholders' equity less goodwill; computed as a ratio to risk-adjusted assets, as defined in the 1992 risk-based capital guidelines.

c) Tier 1 capital plus qualifying loan loss allowance, computed as a ratio to risk adjusted assets as defined in the 1992 risk-based capital guidelines.

d) Tier 1 capital computed as a ratio to the latest quarter's average assets less goodwill.

Market Risk Management

Market risk refers to potential losses arising from changes in interest rates, foreign exchange rates, equity prices and commodity prices, including the correlation among these factors and their volatility. When the value of an instrument is tied to such external factors, the holder faces "market risk." The Corporation is primarily exposed to interest rate risk as a result of offering a wide array of financial products to its customers.

Interest rate risk management

Changes in market interest rates may result in changes in the fair market value of the Corporation's financial instruments, cash flows, and net interest income. The Corporation seeks to achieve consistent growth in net interest income and capital while managing volatility arising from shifts in market interest rates. The Asset and Liability Committee ("ALCO") oversees market risk management, establishing risk measures, limits, and policy guidelines for managing the amount of interest rate risk and its effect on net interest income and capital. According to these policies, responsibility for measuring and the management of interest rate risk resides in the Corporate Treasury function.

Interest rate risk on the Corporation's balance sheets consists of reprice, option, and basis risks. Reprice risk results from differences in the maturity, or repricing, of asset and liability portfolios. Option risk arises from "embedded options" present in the investment portfolio and in many financial instruments such as loan prepayment options, deposit early withdrawal options, and interest rate options. These options allow customers

Table of Contents

opportunities to benefit when market interest rates change, which typically results in higher costs or lower revenue for the Corporation. Basis risk refers to the potential for changes in the underlying relationship between market rates or indices, which subsequently result in a narrowing of profit spread on an earning asset or liability. Basis risk is also present in administered rate liabilities, such as interest-bearing checking accounts, savings accounts and money market accounts where historical pricing relationships to market rates may change due to the level or directional change in market interest rates Each of these types of risks is defined in the discussion of market risk management of the 2010 Form 10-K

The interest rate risk position is measured and monitored using risk management tools, including earnings simulation modeling and economic value of equity sensitivity analysis, which capture both near term and long-term interest rate risk exposures. Combining the results from these separate risk measurement processes allows a reasonably comprehensive view of short-term and long-term interest rate risk in the Corporation.

Net interest income simulation analysis. Earnings simulation involves forecasting net interest earnings under a variety of scenarios including changes in the level of interest rates, the shape of the yield curve, and spreads between market interest rates. The sensitivity of net interest income to changes in interest rates is measured using numerous interest rate scenarios including shocks, gradual ramps, curve flattening, curve steepening as well as forecasts of likely interest rates scenarios. Presented below is the Corporation's interest rate risk profile as of June 30, 2011 and 2010.

	Immediate Change in Rates and Resulting Percentage Increase/(Decrease) in Net Interest Income			
	- 100 basis points	+ 100 basis points	+ 200 basis points	+ 300 basis points
June 30, 2011	(3.23%)	1.57%	3.10%	6.37%
June 30, 2010	*	0.23%	0.29%	(0.55%)

* Modeling for the decrease in 100 basis points scenario was suspended due to the current rate environment.

Modeling the sensitivity of net interest earnings to changes in market interest rates is highly dependent on numerous assumptions incorporated into the modeling process. To the extent that actual performance is different than what was assumed, actual net interest earnings sensitivity may be different than projected. The assumptions used in the models are Management's best estimate based on studies conducted by the ALCO department. The ALCO department uses a data-warehouse to study interest rate risk at a transactional level and uses various ad-hoc reports to refine assumptions continuously. Assumptions and methodologies regarding administered rate liabilities (e.g., savings, money market and interest-bearing checking accounts), balance trends, and repricing relationships reflect Management's best estimate of expected behavior and these assumptions are reviewed regularly.

Economic value of equity modeling. The Corporation also has longer-term interest rate risk exposure, which may not be appropriately measured by earnings sensitivity analysis. ALCO uses economic value of equity ("EVE") sensitivity analysis to study the impact of long-term cash flows on earnings and capital. EVE involves discounting present values of all cash flows of on balance sheet and off balance sheet items under different interest rate

Table of Contents

scenarios. The discounted present value of all cash flows represents the Corporation's economic value of equity. The analysis requires modifying the expected cash flows in each interest rate scenario, which will impact the discounted present value. The amount of base-case measurement and its sensitivity to shifts in the yield curve allow management to measure longer-term repricing and option risk in the balance sheet. Presented below is the Corporation's EVE profile as of June 30, 2011 and 2010:

	Immediate Change in Rates and Resulting Percentage Increase/(Decrease) in EVE:			
	- 100 basis points	+ 100 basis points	+ 200 basis points	+ 300 basis points
June 30, 2011	(8.17%)	3.25%	7.62%	8.05%
June 30, 2010	*	4.27%	6.12%	7.17%

* Modeling for the decrease in 100 basis points scenario was suspended due to the current rate environment.

Management reviews and takes appropriate action if this analysis indicates that the Corporation's EVE will change by more than 5% in response to an immediate 100 basis point increase in interest rates or EVE will change by more than 15% in response to an immediate 200 basis point increase or decrease in interest rates. The Corporation is operating within these guidelines.

Management of interest rate exposure. Management uses the results of its various simulation analyses to formulate strategies to achieve a desired risk profile within the parameters of the Corporation's capital and liquidity guidelines. Specifically, Management actively manages interest rate risk positions by using derivatives predominately in the form of interest rate swaps, which modify the interest rate characteristics of certain assets and liabilities. For more information about how the Corporation uses interest rate swaps to manage its balance sheet, see Note 9 (Derivatives and Hedging Activities) to the unaudited consolidated financial statements included in this report.

Liquidity Risk Management

Liquidity risk is the possibility of the Corporation being unable to meet current and future financial obligations in a timely manner. Liquidity is managed to ensure stable, reliable and cost-effective sources of funds to satisfy demand for credit, deposit withdrawals and investment opportunities. The Corporation considers core earnings, strong capital ratios and credit quality essential for maintaining high credit ratings, which allow the Corporation cost-effective access to market-based liquidity. The Corporation relies on a large, stable core deposit base and a diversified base of wholesale funding sources to manage liquidity risk.

The treasury group is responsible for identifying, measuring and monitoring the Corporation's liquidity profile. The position is evaluated daily, weekly and monthly by analyzing the composition of all funding sources, reviewing projected liquidity commitments by future month and identifying sources and uses of funds. The overall management of the Corporation's liquidity position is also integrated into retail deposit pricing policies to ensure a stable core deposit base.

The Corporation's primary source of liquidity is its core deposit base, raised through its retail branch system. Core deposits comprised approximately 80.17% of total deposits at June 30, 2011. The Corporation also has available unused wholesale sources of liquidity, including advances from the FHLB of Cincinnati, issuance through dealers in the capital markets and access to certificates of deposit issued through brokers. Liquidity is further enhanced by an excess reserve position that averaged greater than one half billion dollars

Table of Contents

through the second quarter of 2011 in addition to unencumbered, or unpledged, investment securities that totaled $1.4 million as of June 30, 2011.

The treasury group also prepares a contingency funding plan that details the potential erosion of funds in the event of a systemic financial market crisis or institutional-specific stress An example of an institution specific event would be a downgrade in the Corporation's public credit rating by a rating agency due to factors such as deterioration in asset quality, a large charge to earnings, a decline in profitability or other financial measures, or a significant merger or acquisition. Examples of systemic events unrelated to the Corporation that could have an effect on its access to liquidity would be terrorism or war, natural disasters, political events, or the default or bankruptcy of a major corporation, mutual fund or hedge fund. Similarly, market speculation or rumors about the Corporation or the banking industry in general may adversely affect the cost and availability of normal funding sources. The liquidity contingency plan therefore outlines the process for addressing a liquidity crisis. The plan provides for an evaluation of funding sources under various market conditions. It also assigns specific roles and responsibilities for effectively managing liquidity through a problem period.

Funding Trends for the Quarter — During the three months ended June 30, 2011, lower cost core deposits increased by $162 5 billion from the previous quarter. In aggregate, deposits decreased $55.0 billion. Securities sold under agreements to repurchase decreased $143.4 million from March 31, 2011. Wholesale borrowings increased $0.1 million from March 31, 2011. The Corporation's loan to deposit ratio increased to 80 80% at June 30, 2011 from 79.47% at March 31, 2011.

Parent Company Liquidity - The Corporation manages its liquidity principally through dividends from the bank subsidiary The parent company has sufficient liquidity to service its debt; support customary corporate operations and activities (including acquisitions) at a reasonable cost, in a timely manner and without adverse consequences; as well as pay dividends to shareholders.

During the quarter ended June 30, 2011, FirstMerit Bank did pay dividends to FirstMerit Corporation. As of June 30, 2011, FirstMerit Bank had an additional $169.7 available to pay dividends without regulatory approval.

Recent Market and Regulatory Developments. In response to the current national and international economic recession, and in efforts to stabilize and strengthen the financial markets and banking industries, the United States Congress and governmental agencies have taken a number of significant actions over the past several years, including the passage of legislation and implementation of a number of programs. The most recent of these actions was the passage into law, on July 21, 2010, of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"). The Dodd-Frank Act is the most comprehensive change to banking laws and the financial regulatory environment since the Great Depression of the 1930s. The Dodd-Frank Act affects almost every aspect of the nation's financial services industry and mandates change in several key areas, including regulation and compliance (both with respect to financial institutions and systemically important nonbank financial companies), securities regulation, executive compensation, regulation of derivatives, corporate governance, and consumer protection.

In this respect, it is noteworthy that preemptive rights heretofore granted to national banking associations by the Office of the Comptroller of the Currency ("OCC") under the National Bank Act will be diminished with respect to consumer financial laws and regulations. Thus, Congress has authorized states to enact their own substantive protections and to allow state attorneys general to initiate civil actions to enforce federal consumer protections. In this respect, the Corporation will be subject to regulation by a new consumer protection bureau known as the Bureau of Consumer Financial Protection (the "Bureau") under the Board of

Table of Contents

Governors of the Federal Reserve System (the "Federal Reserve"). The Bureau will consolidate enforcement currently undertaken by myriad financial regulatory agencies, and will have substantial power to define the rights of consumers and responsibilities of providers, including the Corporation.

In addition, and among many other legislative changes as a result of the Dodd-Frank Act that the Corporation will assess, the Corporation (1) experienced a new assessment model from the FDIC based on assets, not deposits, (2) will be subject to enhanced executive compensation and corporate governance requirements, and (3) will be able, for the first time to offer interest on business transaction and other accounts.

The extent to which the Dodd-Frank Act and initiatives there under will succeed in addressing the credit markets or otherwise result in an improvement in the national economy is not yet known. In addition, because most aspects of this legislation will be subject to intensive agency rulemaking and subsequent public comment prior to implementation over the next six to 18 months, it is difficult to predict at this time the ultimate effect of the Dodd-Frank Act on the Corporation. It is likely, however, that the Corporation's expenses will increase as a result of new compliance requirements.

Various legislation affecting financial institutions and the financial industry will likely continue to be introduced in Congress, and such legislation may further change banking statutes and the operating environment of the Corporation and its subsidiaries in substantial and unpredictable ways, and could increase or decrease the cost of doing business, limit or expand permissible activities or affect the competitive balance depending upon whether any of this potential legislation will be enacted, and if enacted, the effect that it or any implementing regulations, would have on the financial condition or results of operations of the Corporation or any of its subsidiaries. With the enactment of the Dodd-Frank Act, the nature and extent of future legislative and regulatory changes affecting financial institutions remains very unpredictable at this time.

To the extent that the previous information describes statutory and regulatory provisions applicable to the Corporation or its subsidiaries, it is qualified in its entirety by reference to the full text of those provisions or agreement. Also, such statutes, regulations and policies are continually under review by Congress and state legislatures and federal and state regulatory agencies and are subject to change at any time, particularly in the current economic and regulatory environment. Any such change in statutes, regulations or regulatory policies applicable to the Corporation could have a material effect on the business of the Corporation.

Critical Accounting Policies

The Corporation's consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and follow general practices within the financial services industry in which it operates All accounting policies are important, and all policies described in Note 1 (Summary of Significant Accounting Policies) of the 2010 Form 10-K provide a greater understanding of how the Corporation's financial performance is recorded and reported.

Some accounting policies are more likely than others to have a significant effect on the Corporation's financial results and to expose those results to potentially greater volatility. The policies require Management to exercise judgment and make certain assumptions and estimates that affect amounts reported in the financial statements. These assumptions and estimates are based on information available as of the date of the financial statements.

Management relies heavily on the use of judgment, assumptions and estimates to make a number of core decisions, including accounting for the allowance for loan losses, income taxes, derivative instruments and hedging activities, and assets and liabilities that involve valuation methodologies. A brief discussion of each of these areas appears within Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2010 Form 10-K.

Off-Balance Sheet Arrangements

A detailed discussion of the Corporation's off-balance sheet arrangements, including interest rate swaps, forward sale contracts, mortgage loan commitments, and TBA Securities is included in Note 9 (Derivatives and Hedging Activities) to the Corporation's consolidated financial statements included in this report and in Note 17 to the 2010 Form 10-K. There have been no significant changes since December 31, 2010.

Forward-looking Safe-harbor Statement

Discussions in this report that are not statements of historical fact (including statements that include terms such as "will," "may," "should," "believe," "expect," "anticipate," "estimate," "project," intend," and "plan") are forward-looking statements that involve risks and uncertainties. Any forward-looking statement is not a guarantee of future performance and actual future results could differ materially from those contained in forward-looking information. Factors that could cause or contribute to such differences include, without limitation, risks and uncertainties detailed from time to time in the Corporation's filings with the Securities and Exchange Commission, including without limitation the risk factors disclosed in Item 1A, "Risk Factors," of the 2010 Form 10-K.

Forward-looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond a company's control, and many of which, with respect to future business decisions and actions (including acquisitions and divestitures), are subject to change. Examples of uncertainties and contingencies include, among other important factors, general and local economic and business conditions, recession or other economic downturns, expectations of and actual timing and amount of interest rate movements, including the slope of the yield curve (which can have a significant impact on a financial services institution); market and monetary fluctuations; inflation or deflation; customer and investor responses to these conditions; the financial condition of borrowers and other counterparties; competition within and outside the financial services industry; geopolitical developments including possible terrorist activity; recent and future legislative and regulatory developments; natural disasters; effectiveness of the Corporation's hedging practices; technology; demand for the Corporation's product offerings; new products and services in the industries in which the Corporation operates; and critical accounting estimates. Other factors are those inherent in originating, selling and servicing loans including prepayment risks, pricing concessions, fluctuation in U.S. housing prices, fluctuation of collateral values, and changes in customer profiles. Additionally, the actions of the SEC, the FASB, the OCC, the Federal Reserve System, Financial Industry Regulatory Authority (FINRA), and other regulators, regulatory and judicial proceedings and changes in laws and regulations applicable to the Corporation; and the Corporation's success in executing its business plans and strategies and managing the risks involved in the foregoing, could cause actual results to differ.

Other factors not currently anticipated may also materially and adversely affect the Corporation's results of operations, cash flows and financial position. There can be no assurance that future results will meet expectations. While the Corporation believes that the forward-looking statements in this report are reasonable, the reader should not place undue reliance on any forward-looking statement. In addition, these statements speak only as of the date made. The Corporation does not undertake, and expressly disclaims, any obligation to

Table of Contents

update or alter any statements whether as a result of new information, future events or otherwise, except as may be required by applicable law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Market Risk Section in Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 4. CONTROLS AND PROCEDURES.

Management, including the Corporation's Chief Executive Officer and Chief Financial Officer, has made an evaluation of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15.

During the period covered by the report, there was no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Based upon the evaluation, the Chief Executive Officer and Chief Financial Officer have concluded, as of the end of the period covered by this report, that the Corporation's disclosure controls and procedures are effective.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

In the normal course of business, the Corporation is at all times subject to pending and threatened legal actions, some for which the relief or damages sought are substantial. Although the Corporation is not able to predict the outcome of such actions, after reviewing pending and threatened actions with counsel, Management believes that the outcome of any or all such actions will not have a material adverse effect on the results of operations or shareholders' equity of the Corporation.

For additional information on litigation and contingencies, see Note 13. Contingencies and Guarantees.

In addition, in December 2010, the Basel Committee on Banking Supervision (the "Basel Committee") released its final framework for strengthening international capital and liquidity regulation ("Basel III") Minimum global liquidity standards under Basel III are meant to ensure banks maintain adequate levels of liquidity on both a short and medium to longer horizon. Expected liquidity standard implementation dates are January 1, 2015 and January 1, 2018. When implemented by the federal banking agencies and fully phased-in, Basel III will require bank holding companies and their bank subsidiaries to maintain substantially more capital, with a greater emphasis on common equity. When fully phased in on January 1, 2019, Basel III will require banking institutions to maintain heightened Tier 1 common equity, Tier 1 capital and total capital ratios, as well as maintaining a "capital conservation buffer." Regulations by the federal banking agencies implementing Basel III are expected to be proposed in mid-2011, with adoption of final implementing regulations in mid-2012. Notwithstanding its release of the Basel III framework as a final framework, the Basel Committee is considering further amendments to Basel III, including imposition of additional capital surcharges on globally systemically important financial institutions In addition to Basel III, the Dodd-Frank Act requires or permits federal banking agencies to adopt regulations affecting capital requirements in a number of respects, including potentially more stringent capital requirements for systemically important financial institutions. Accordingly, the regulations ultimately applicable to the Corporation may differ substantially from the currently published

Table of Contents

final Basel III framework. Requirements of higher capital levels or higher levels of liquid assets could adversely impact the Corporation's net income and return on equity.

ITEM 1A. RISK FACTORS.

There have been no material changes in our risk factors from those disclosed in 2010 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

(a) Not applicable.

(b) Not applicable.

(a) The following table provides information with respect to purchases the Corporation made of its common shares during the second quarter of the 2011 fiscal year:

	Total Number of Shares Purchased (2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under Plans or Programs
Balance as of March 31, 2011				396,272
April 1, 2011 – April 30, 2011	38,719	$ 16 69	—	396,272
May 1, 2011 – May 31, 2011	2,402	19.89	—	396,272
June 1, 2011 – June 30, 2011	4,085	24.59	—	396,272
Balance as of June 30, 2011	45,206	$ 17.57	—	396,272

(1) Reflects 45,206 common shares purchased as a result of either: (1) delivered by the option holder with respect to the exercise of stock options; (2) shares withheld to pay income taxes or other tax liabilities associated with vested restricted common shares; or (3) shares returned upon the resignation of the restricted shareholder. No shares were purchased under the program referred to in note (2) to this table during the second quarter of 2011.

(2) On January 19, 2006, the Board of Directors authorized the repurchase of up to 3 million shares (the "New Repurchase Plan"). The New Repurchase Plan, which has no expiration date, superseded all other repurchase programs, including that authorized by the Board of Directors on July 15, 2004.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. (REMOVED AND RESERVED).

Table of Contents

ITEM 5. OTHER INFORMATION.

None.

Table of Contents

ITEM 6. EXHIBITS.

Exhibit Index

Exhibit Number	Description
3.1	Second Amended and Restated Articles of Incorporation of FirstMerit Corporation, as amended (incorporated by reference from Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed by FirstMerit Corporation on May 10, 2010)
3.2	Second Amended and Restated Code of Regulations of FirstMerit Corporation, as amended (incorporated by reference from Exhibit 3.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed by FirstMerit Corporation on May 10, 2010).
10.1	FirstMerit Corporation 2011 Equity Incentive Plan (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed by FirstMerit Corporation on April 20, 2011).
10.2	FirstMerit Corporation 2011 Equity Incentive Plan Form of Restricted Share Award Agreement (Section 16 Officers) (incorporated by reference from Exhibit 10.2 to the Current Report on Form 8-K filed by FirstMerit Corporation on April 20, 2011).
10.3	Amended and Restated FirstMerit Corporation Executive Cash Annual Incentive Plan (incorporated by reference from Exhibit 10.3 to the Current Report on Form 8-K filed by FirstMerit Corporation on April 20, 2011).
10.4	FirstMerit Corporation 2011 Equity Incentive Plan Form of Restricted Share Award Agreement (Directors) (filed herewith).
21	Subsidiaries of FirstMerit (filed herewith).
31.1	Rule 13a-14(a)/Section 302 Certification of Paul G. Greig, Chief Executive Officer of FirstMerit Corporation.
31.2	Rule 13a-14(a)/Section 302 Certification of Terrence E. Bichsel, Executive Vice President and Chief Financial Officer of FirstMerit Corporation.
32.1	Rule 13a-14(b)/Section 906 Certification of Paul G. Greig, Chief Executive Officer of FirstMerit Corporation.
32.2	Rule 13a-14(b)/Section 906 Certification of Terrence E. Bichsel, Executive Vice President and Chief Financial Officer of FirstMerit Corporation.
101*	The following materials from FirstMerit Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income and Comprehensive Income; (iii) the Consolidated Statements of Changes in Shareholders' Equity; (iv) the Consolidated Statements of Cash Flows; and (iv) Notes to Consolidated Financial Statements, tagged as blocks of text.

* As provided in Rule 406T of Regulation S-T, this information shall not be deemed "filed" for purposes of Section 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under those sections.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Clark Street Development, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [x] the Applicant

   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: ____________

   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: ____________

B. Business address of the Disclosing Party: 980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

C. Telephone: 312-377-9100 Fax: ____________ Email: ____________

D. Name of contact person: Andy Stein

E. Federal Employer Identification No. (if you have one): [redacted]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Zoning Amendment at 2816 North Kimball

G. Which City agency or department is requesting this EDS? Department of Housing & Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Richard Hulina	Manager
E. Thomas Collins	Manager

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
See Attached		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Schain Burney Banks & Kenny	70 W Madison, #4500 Chicago, IL 60602	Attorney	$ estimated $7500

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [x] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
N/A		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_x_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

N/A

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Clark Street Development, LLC
(Print or type name of Disclosing Party)

By: Andrew Stein
(Sign here)

Andrew Stein
(Print or type name of person signing)

Member
(Print or type title of person signing)

Signed and sworn to before me on (date) 11/11/11,
at Cook County, Illinois (state).

Anel Medina Notary Public.

Commission expires: 4/14/13.

OFFICIAL SEAL
ANEL MEDINA
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4-14-2013

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

Collins Family Limited Partnership – 14.285%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

Hulina Family Limited Partnership – 14.285%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

Fritz L. Duda, Jr. - 14.285%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

John Collins - 14.285%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

Peter Eisenberg - 14.285%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

James Kurtzweil - 14.285%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

Andrew Stein - 14.285%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Collins Family Limited Partnership

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Clark Street Development, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: ____________

B. Business address of the Disclosing Party: 980 North Michigan Avenue, #1280
Chicago, IL 60611

C. Telephone: 312-377-9100 Fax: ____________ Email: ____________

D. Name of contact person: John Collins

E. Federal Employer Identification No. (if you have one): [redacted]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Zoning Amendment to 2816 N. Kimball Avenue

G. Which City agency or department is requesting this EDS? Department of Housing & Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[x] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [x] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
E. Thomas Collins	General Partner
Sylvia Collins	General Partner
John Collins	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
	See Attached	

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
N/A		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__x__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

N/A

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Collins Family Limited Partnership
(Print or type name of Disclosing Party)

By: ____________________
(Sign here)

John Collins
(Print or type name of person signing)

General Partner
(Print or type title of person signing)

Signed and sworn to before me on (date) November 11, 2011,
at Cook County, Illinois (state).

Anel Medina Notary Public.

Commission expires: 4/14/2013.

OFFICIAL SEAL
ANEL MEDINA
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4-14-2013

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

E. Thomas Collins, Jr. – 19%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

Sylvia Collins – 19%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

John Collins – 10%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

Kimberly Collins – 17.33%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

Lisa Collins – 17.33%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

Carly Collins – 17.33%
980 North Michigan Avenue, Suite 1280
Chicago, IL 60611

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Hulina Family Limited Partnership

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Clark Street Development, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: ____________

B. Business address of the Disclosing Party: 980 North Michigan Avenue, #1280
Chicago, IL 60611

C. Telephone: 312-377-9100 Fax: __________ Email: __________

D. Name of contact person: James Kurtzweil

E. Federal Employer Identification No. (if you have one): [redacted]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Zoning Amendment to 2816 N. Kimball Avenue

G. Which City agency or department is requesting this EDS? Department of Housing & Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[x] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [x] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Richard E. Hulina	General Partner
Edward Hulina	General Partner
James M. Kirtzweil	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
	See Attached	

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[x] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [x] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
N/A		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__x__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

N/A

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Hulina Family Limited Partnership
(Print or type name of Disclosing Party)

By: J. M. Kurtzweil
(Sign here)

James Kurtzweil
(Print or type name of person signing)

General Partner
(Print or type title of person signing)

Signed and sworn to before me on (date) 11/11/11,
at Cook County, Illinois (state).

Anel Medina Notary Public.

Commission expires: 4/14/13.

OFFICIAL SEAL
ANEL MEDINA
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4-14-2013

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

Richard E. Hulina – 21.5%
1040 North Lake Shore Drive, #30D
Chicago, IL 60611

Edward Hulina – 19%
1040 North Lake Shore Drive, #30D
Chicago, IL 60611

James M. Kurtzweil – 0.5%
1040 North Lake Shore Drive, #30D
Chicago, IL 60611

Bonnie Hulina – 21.5%
1040 North Lake Shore Drive, #30D
Chicago, IL 60611

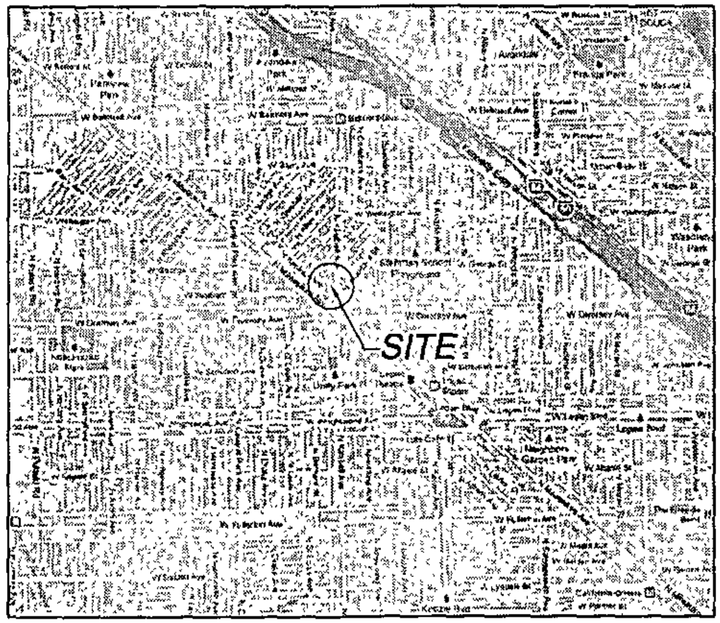
Elizabeth H Kurtzweil – 18.5%
1040 North Lake Shore Drive, #30D
Chicago, IL 60611

Holly Gange – 19%
1040 North Lake Shore Drive, #30D
Chicago, IL 60611

PLA

2816 KIM
CHIC

LOTS 63 TO 67 INCLUSIVE, AND THAT PA
AVENUE, AS OPENED BY CONDEMNATION
POSSESSION JUNE 13, 1932 COUNTY C
ORDINANCE PASSED SEPTEMBER 25, 1958
DOCUMENT NUMBER 17368258 IN STORY
SECTION 26, TOWNSHIP 40 NORTH, RAN
DESCRIBED AS FOLLOWS: BEGINNING AT T
THE NORTHWESTERLY CORNER OF LOT 52
OPENED AS AFOREMENTIONED; THENCE N
THENCE NORTHWESTERLY ALONG A STRAI
NORTHEASTERLY OF THE POINT OF BEGIN
OF 228 FEET 5 AND 5/8 INCHES TO THE



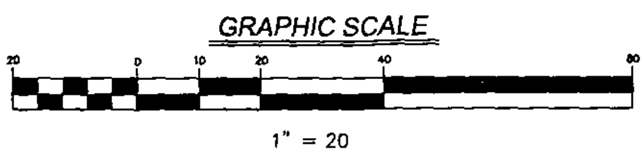
VICINITY MAP
NOT TO SCALE

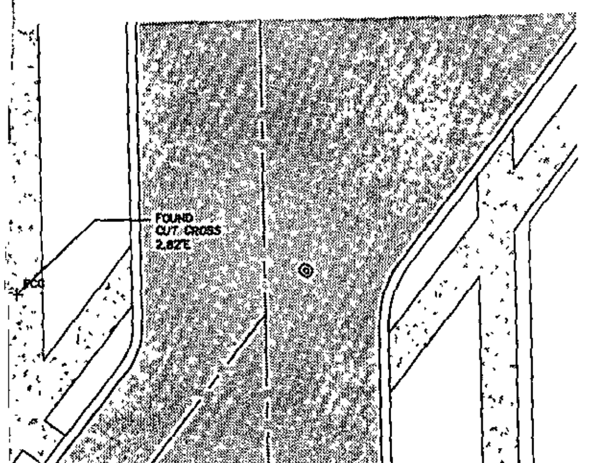
GENERAL NOTES

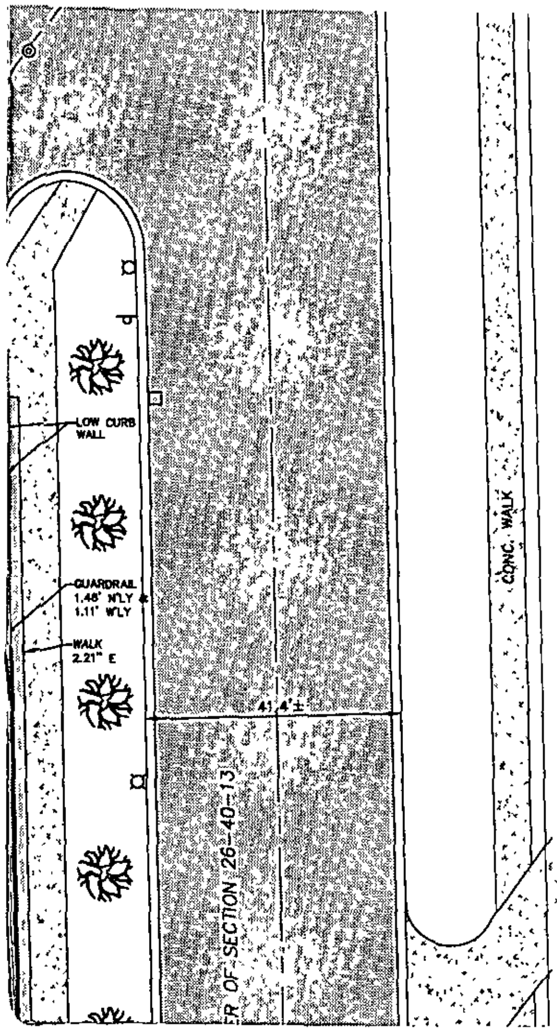
1. COMPARE ALL POINTS PRIOR TO ANY CONSTRUCTION AND REPORT ANY DIFFERENCES AT ONCE.

OF
IBALL AVENUE
AGO, ILLINOIS

ꞱT OF LOTS 48 TO 52 INCLUSIVE AND LOTS 68 TO 72 INCLUSIVE, LYING WESTERLY OF KIMBALL
PRECEEDINGS, ORDINANCE PASSED BY THE CITY COUNCIL DECEMBER 10, 1924, ORDER OF
JURT GENERAL NUMBER 53146, TOGETHER WITH THE VACATED PUBLIC ALLEY, VACATED BY
AND RECORDED IN THE RECORDERS OFFICE OF COOK COUNTY, ILLINOIS, NOVEMBER 4, 1958 AS
AND ALLEN'S SUBDIVISION OF LOT 10 OF BRAND'S SUBDIVISION OF THE NORTHEAST 114 OF
GE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT AND BOUNDED AND
HE NORTHWESTERLY CORNER OF LOT 63 AND SAID LINE EXTENDED ACROSS VACACTED ALLEY TO
AND ALONG THE SOUTHWESTERLY LINE OF LOT 52 TO THE WEST LINE OF KIMBALL AVENUE AS
RTH ALONG THE WEST LINE OF KIMBALL AVENUE, A DISTANCE OF 308 FEET 8 AND 3/4 INCHES;
HT LINE TO A POINT ON THE NORTHWESTERLY LINE OF LOT 72, 228 FEET 5 AND 5/8 INCHES
NING; THEN SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF LOTS 63 TO 72, A DISTANCE
POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.







BASIS OF BEARINGS

STATE PLANE COORDINATE SYSTEM

AREA

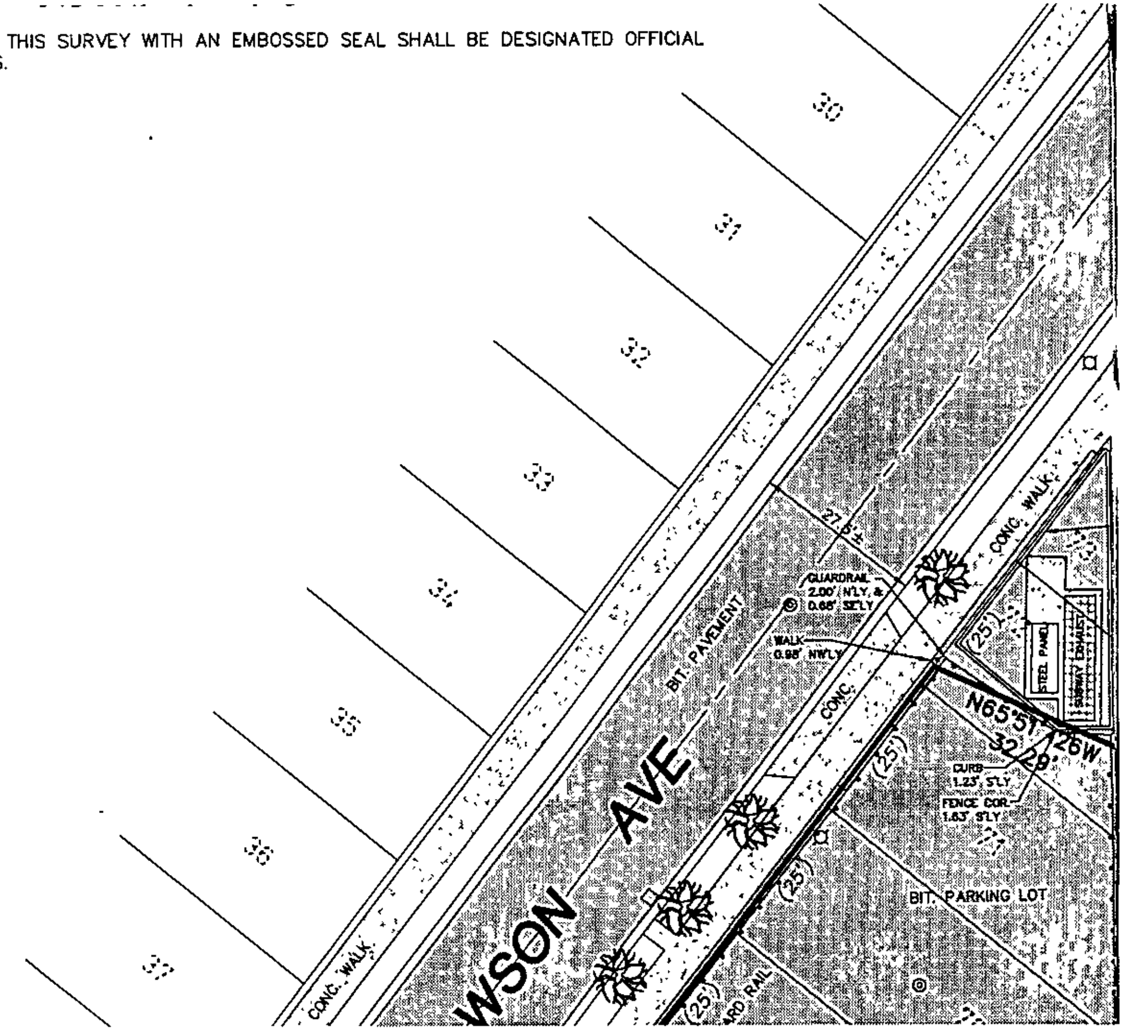
30,108 SQ. FT.
0.6912 ACRES

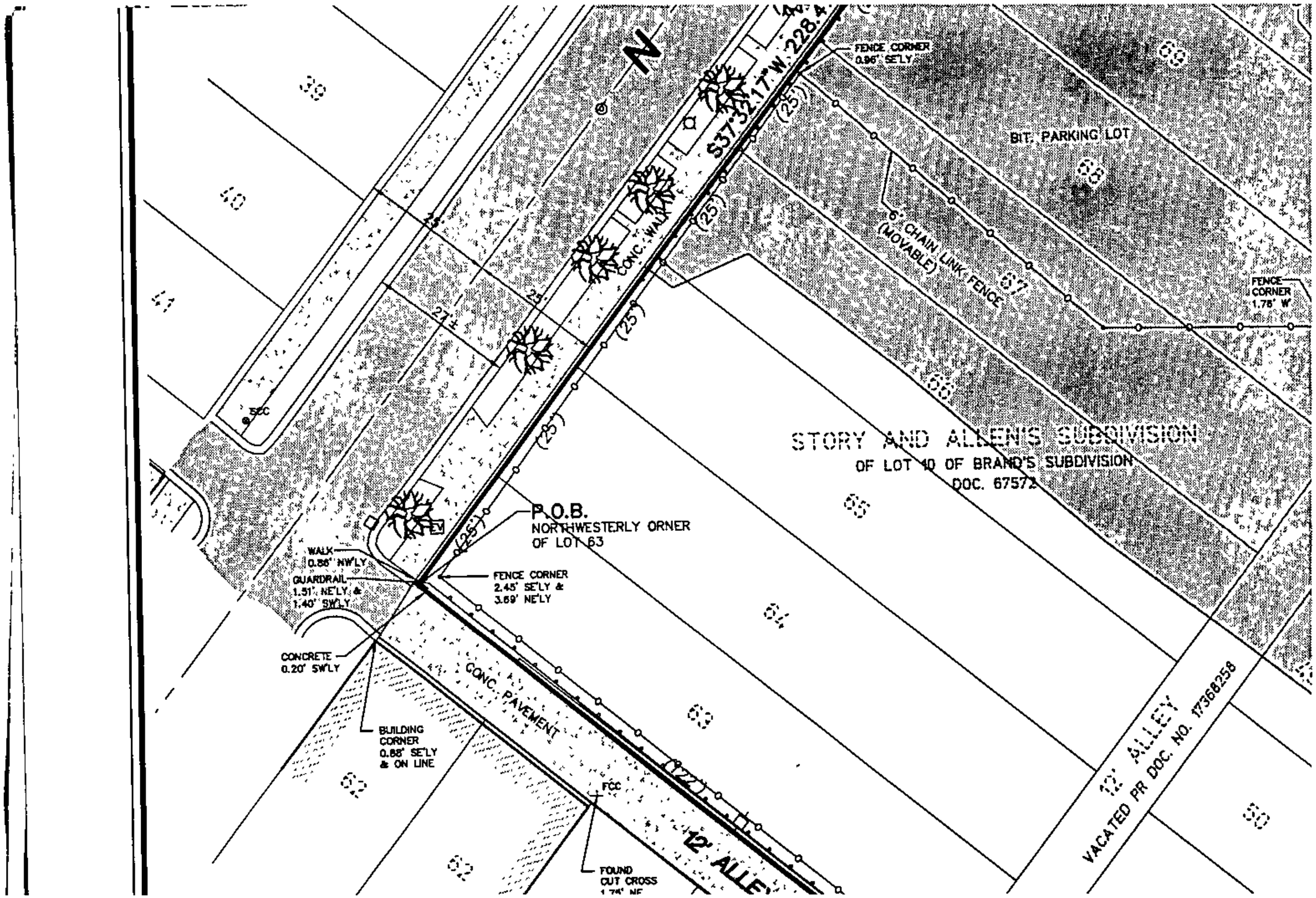
LEGEND

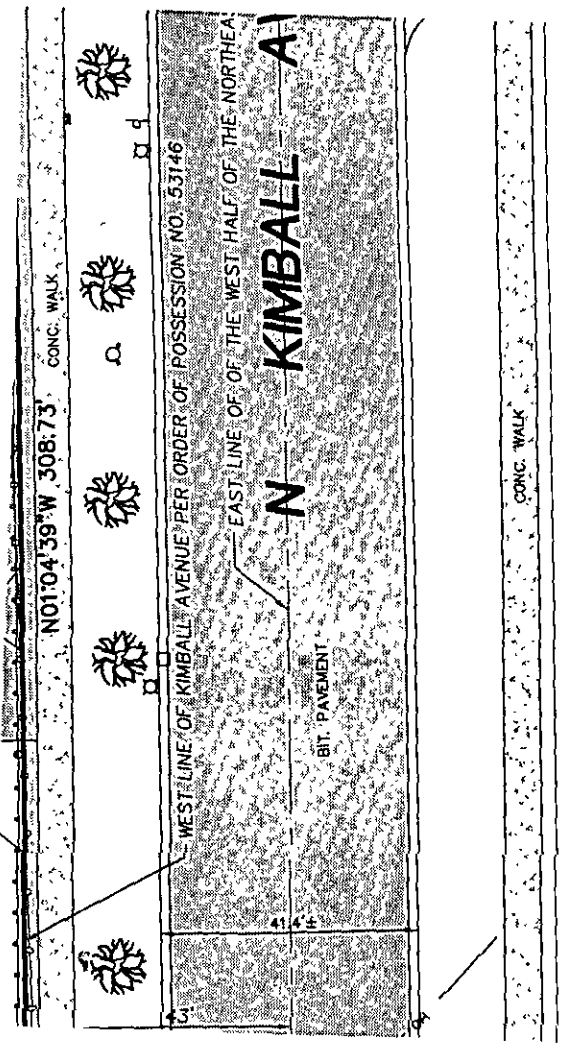
C CABLE TV PEDESTAL	PAINTED GAS LINE	HEADWALL
TRAFFIC LIGHT POLE	GAS VALVE	CURB INLET
TRAFFIC CONTROL BOX	G GAS METER	STORM INLET
TRAFFIC CONTROL VAULT	G GAS VALVE VAULT	STORM MANHOLE
TRAFFIC LIGHT	G GAS METER	FLARED END SECTION
T TELEPHONE PEDESTAL	PIPELINE MARKER	CLEANOUT
TELEPHONE MANHOLE	MONITORING WELL	SANITARY MANHOLE
PAINTED TELEPHONE LINE	POST INDICATOR VALVE	HOSE BIB
F FIBER OPTIC CABLE LINE	WELL HEAD	B-BOX
ANCHOR	FLAGPOLE	HYDRANT
GUY POLE	MAILBOX	WATER VALVE
UTILITY POLE	SIGN	WATER VALVE VAULT
POWER POLE	POST	PAINTED WATER LINE
LIGHT STANDARD	PUBLIC PAY TELEPHONE	SPRINKLER HEAD
ELECTRIC MANHOLE	PARKING METER	WATER METER
ELECTRIC PEDESTAL	WETLAND MARKER	FOUND DISK IN CONCRETE
ELECTRIC TRANSFORMER PAD	BASKETBALL HOOP	FBD FOUND BRASS DISC
ELECTRIC METER	AIR CONDITIONER PAD/UNIT	FOUND ROW MARKER
HANDHOLE	DECIDUOUS TREE W/ TRUNK SIZE	FIR FOUND IRON ROD
ELECTRICAL JUNCTION BOX	NON-DECIDUOUS TREE W/ TRUNK SIZE	FRS FOUND RAILROAD SPIKE
ELECTRIC VAULT	BUSH	FPK FOUND PK NAIL
ELECTRIC SERVICE OUTLET BOX	SB# SOIL BORING HOLE W/ NUMBER	FMG FOUND MAG NAIL
PAINTED ELECTRIC LINE		FCC FOUND CUT CROSS
TRANSFORMER PAD		FIP FOUND IRON PIPE
SECTION CORNER	-7 QUARTER SECTION CORNER	FIB FOUND IRON BAR
		TP SET TRAVERSE POINT
		SPK SET PK NAIL
		SMG SET MAG NAIL
		SIP SET IRON PIPE
		SBM SET CONCRETE MONUMENT WITH BRASS DISC
		SCM SET CONCRETE MONUMENT WITH IRON PIPE

ABBREVIATIONS

5. ONLY PRINTS OF THIS SURVEY WITH AN EMBOSSED SEAL SHALL BE DESIGNATED OFFICIAL CERTIFIED COPIES.

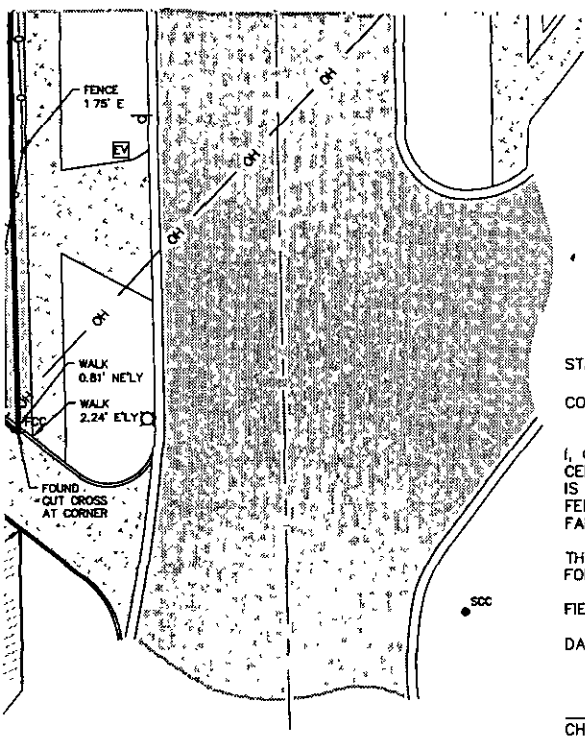



N
FENCE CORNER 0.96' SE'LY
BIT. PARKING LOT
6' CHAIN LINK FENCE (MOVABLE)
FENCE CORNER 1.76' W
CONC. WALK
SEC
STORY AND ALLEN'S SUBDIVISION
OF LOT 10 OF BRAND'S SUBDIVISION
DOC. 67572
P.O.B.
NORTHWESTERLY ORNER OF LOT 63
WALK 0.88' NW'LY
GUARDRAIL 1.51' NE'LY & 1.40' SW'LY
FENCE CORNER 2.45' SE'LY & 3.69' NE'LY
CONCRETE 0.20' SW'LY
BUILDING CORNER 0.88' SE'LY & ON LINE
CONC. PAVEMENT
FCC
12' ALLEY
12' ALLEY
VACATED PR DOC. NO. 17368258
39
40
41
62
63
64
65
66
67
68
69
50



	PROPOSED EASEMENT LINE
	EX. & PRO. BUILDING SETBACK LINE
	SECTION LINE
	EXISTING FENCELINE (CHAIN LINK)
	EXISTING FENCELINE (WOOD)
	EXISTING FENCELINE (WIRE)
	GUARDRAIL
	RAILROAD TRACKS
CATV	UNDERGROUND CABLE TV
(CATV)	UNDERGROUND CABLE TV(ATLAS INFO.)
(FO)	UNDERGROUND FIBER OPTIC CABLE(ATLAS)
E	UNDERGROUND ELECTRIC
(E)	UNDERGROUND ELECTRIC(ATLAS INFO.)
T	UNDERGROUND TELEPHONE
(T)	UNDERGROUND TELEPHONE(ATLAS INFO.)
G	GAS MAIN
(G)	GAS MAIN(ATLAS INFO.)
W	WATER MAIN
(W)	WATER MAIN (ATLAS INFO.)
	SANITARY SEWER
(SAN)	SANITARY SEWER(ATLAS INFO.)
	STORM SEWER
(STM)	STORM SEWER(ATLAS INFO.)
	EDGE OF WATER
OH	OVERHEAD WIRES
	CURB
	DEPRESSED CURB
700	EXISTING CONTOUR LINE
	ASPHALT PAVING OR WATER (LABELED)
	UNPAVED ROAD
	CONCRETE
	WETLANDS
	EXISTING BUILDING
	MARSH AREA

CMP	CORRUGATED METAL PIPE
RCP	REINFORCED CONCRETE PIPE
VCP	VITRIFIED CLAY PIPE
FRM.	FRAME
BRK.	BRICK
TC	TOP OF CURB
DEP	DEPRESSED CURB
GUT	GUTTER
EP	EDGE OF PAVEMENT
F.L.	FLOW LINE
CONC.	CONCRETE
BIT.	BITUMINOUS
MH	MANHOLE
CW	CONCRETE WALK
TW	TOP OF WALL
BW	BOTTOM OF WALL
TP	TOP OF PIPE
BW	BACK OF WALK
FES	FLARED END SECTION
INV	INVERT
DIP	DUCTILE IRON PIPE
SD	STORM DRAIN
SAN	SANITARY SEWER
N	NORTH
S	SOUTH
E	EAST
W	WEST
CB	CHORD BEARING
A	ARC LENGTH
R	RADIUS
U.E.	UTILITY EASEMENT
P.U.E.	PUBLIC UTILITY EASEMENT
D.E.	DRAINAGE EASEMENT
M.U.E.	MUNICIPAL UTILITY EASEMENT
I.E.	INGRESS & EGRESS EASEMENT
PC	POINT OF CURVATURE
PCC	POINT OF COMPOUND CURVATURE
PRC	POINT OF REVERSE CURVATURE
PT	POINT OF TANGENCY
(REC)	RECORD DATUM
MEAS.	MEASURED DATUM
[CALC]	CALCULATED DATUM
<DEED>	INFORMATION TAKEN FROM DEED
ETBE	EXCEPTION TO BLANKET EASEMENT



SURVEYOR CERTIFICATE

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, CHRISTOPHER D. BARTOSZ, AN ILLINOIS PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFY THAT I HAVE SURVEYED THE ABOVE DESCRIBED PROPERTY AND THAT THIS PLAT IS A TRUE AND CORRECT REPRESENTATION THEREOF ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF, CORRECTED TO A TEMPERATURE OF 68 DEGREES FAHRENHEIT.

THIS PROFESSIONAL SERVICE CONFORMS TO THE CURRENT ILLINOIS MINIMUM STANDARDS FOR BOUNDARY SURVEYS.

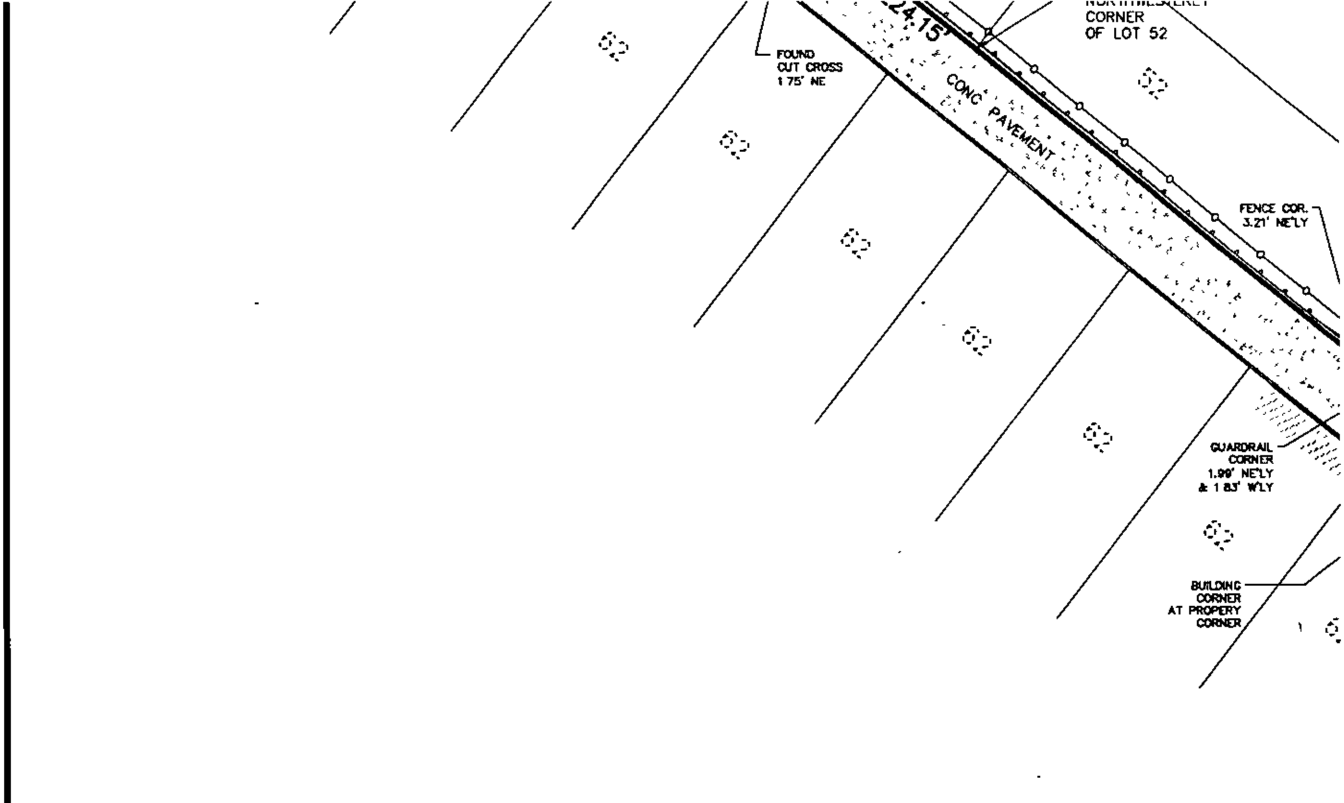
FIELD WORK COMPLETED ON NOVEMBER 09, 2011.

DATED THIS 10TH DAY OF NOVEMBER, A.D., 2011

CHRISTOPHER D. BARTOSZ #3189 PROFESSIONAL LAND SURVEYOR STATE OF ILLINOIS WOODRIDGE, ILLINOIS

CHRISTOPHER D. BARTOSZ
ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 35-3189
MY LICENSE EXPIRES ON NOVEMBER 30, 2012.
V3 COMPANIES OF ILLINOIS, LTD. PROFESSIONAL DESIGN FIRM NO. 184000902
THIS DESIGN FIRM NUMBER EXPIRES APRIL 30, 2013

SIONS				
RIPTION	**PLAT OF SURVEY**			**Project No:** 11171
	2816 KIMBALL AVENUE			**Group No:** VP01.1
	DRAFTING COMPLETED: 11-10-11	DRAWN BY: CDB/MLP	PROJECT MANAGER: CDB	SHEET NO.
	FIELD WORK COMPLETED: 11-09-11	CHECKED BY: CDB	SCALE: 1" = 20'	1 of 1



Engineers
Scientists
Surveyors

7325 Janes Avenue, Suite 100
Woodridge, IL 60517
630.724.9200 voice
630.724.0384 fax
v3co.com

PREPARED FOR:

CLARK STREET DEVELOPMENT

980 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60611
312-377-9100

NO.	DATE	