

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (“Agreement”) is made by, between, and among the following undersigned parties:

The Plaintiff Federal Deposit Insurance Corporation as Receiver for Integra Bank, N.A. (“FDIC-R”), and Michael Vea, Bradley Stevens, Raymond Beck, Archie Brown, Ward Clark, and Roger D. Watson (collectively the “Settling Defendants”). The FDIC-R and the Settling Defendants may be referred to herein individually as “Party” and collectively as the “Parties.”

RECITALS

WHEREAS:

Prior to July 29, 2011, Integra Bank, N.A. (“Bank”) was a depository institution organized and existing under the laws of the United States;

On July 29, 2011, the Office of the Comptroller of the Currency closed the Bank and pursuant to 12 U.S.C. § 1821(c), the Federal Deposit Insurance Corporation was appointed Receiver. In accordance with 12 U.S.C. § 1821(d), the FDIC-R succeeded to all rights, titles, powers, and privileges of the Bank, including those with respect to its assets.

Among the assets to which the FDIC-R succeeded were all of the Bank’s claims, demands, and causes of action against its former directors, officers, and employees arising from the performance, nonperformance, and manner of performance of their respective functions, duties and acts as directors, officers, and employees of the Bank.

On July 25, 2014, the FDIC-R filed a complaint for money damages against the Settling Defendants, each of whom served at various times as a director and/or officer of the Bank. Those claims for damages are now pending in the United States District Court for the Southern District of Indiana in *The Federal Deposit Insurance Corporation as Receiver for Integra Bank, N.A., vs. Michael Vea, Bradley Stevens, Raymond Beck, Archie Brown, Ward Clark, and Roger D. Watson*, No. 3:14-cv-00104-RLY-WGH (“D&O Action”). The Settling Defendants admit to no wrongdoing and deny liability in the D&O Action.

An insurance company (the "D&O Carrier") issued a directors and officers liability policy (the "Policy"), which insured the Settling Defendants according to the terms, provisions, and conditions of the Policy. The Settling Defendants have asserted claims for coverage under the Policy and the D&O Carrier has reserved its rights to deny coverage under the Policy for claims asserted by FDIC-R against the Settling Defendants.

The undersigned Parties deem it in their best interests to enter into this Agreement to avoid the uncertainty and expense of further litigation.

NOW, THEREFORE, in consideration of the promises, undertakings, payments, and releases stated herein, the sufficiency of which is hereby acknowledged, the undersigned Parties agree, each with the other, as follows:

SECTION I: Payment to FDIC-R

A. As an essential covenant and condition to this Agreement, the Settling Defendants and the D&O Carrier, collectively and not severally, agree to pay the FDIC-R the sum of FIVE MILLION DOLLARS (\$5,000,000.00) ("the Settlement Payment"). The Settling Defendants shall collectively pay \$400,000.00 and shall cause the D&O Carrier to pay \$4,600,000.00.

B. The Settlement Payment shall be delivered to the FDIC-R by direct wire transfer(s) into an account designated by FDIC-R by notice to the attorneys for the Settling Defendants or by certified or cashier's check payable to Federal Deposit Insurance Corporation as Receiver for Integra Bank, N.A. The Settlement Payment shall be delivered on or before the Settlement Payment Date, which shall be the date that is thirty (30) days from the date of the last of the following to occur: (i) the execution of this Agreement by all Parties; and (ii) the issuance of a final non-appealable order approving the Settlement Payment by the United States Bankruptcy Court for the Southern District of Indiana, which has jurisdiction over *In re: Integra Bank Corporation*, Case No. 3:11-BK-71224 (the "Bankruptcy Proceeding"), approving the D&O Carrier's payment of its portion of the Settlement Payment (as provided in Section I.A. above) under the proceeds of the Policy. The Settling Defendants agree to file a motion in the Bankruptcy Proceeding seeking these approvals, in the form attached hereto as Exhibit A, within

five days after the execution of this Agreement and use their best efforts to promptly obtain these approvals in the Bankruptcy Proceeding.

C. In the event that the Settlement Payment is not delivered to the FDIC-R (or its counsel) on or before the Settlement Payment Date, interest shall accrue on all unpaid amounts from the Settlement Payment Date until the date of payment, at a rate calculated in accordance with 26 U.S.C. § 6621(a)(2).

D. If the FDIC-R does not receive the Settlement Payment in full on or before the Settlement Payment Date, then the FDIC-R, in its sole discretion, shall have the right at any time prior to receipt of the Settlement Payment in full (including all accrued interest) to:

1. Extend the period of time for the Settlement Payment, including interest accruing from the Settlement Payment Date through the date of payment at a rate calculated in accordance with 26 U.S.C. § 6621(a)(2); or

2. Enforce this Agreement, in which event the Settling Defendants agree to jurisdiction in the United States District Court for the Southern District of Indiana and to pay all of the FDIC-R's reasonable attorney's fees and costs expended in enforcing the terms of this Agreement; or

3. Terminate the Agreement, move to vacate any dismissal order, to which the Settling Defendants agree to consent, and institute or re-institute an action on the claims the FDIC-R asserted in the D&O Action.

4. Seek any other relief available to it in law or equity.

Any extension of time under Section I.D.1 for delivery of the Settlement Payment or acceptance of a portion of the Settlement Payment shall not prejudice the FDIC-R's rights to take any of the actions set forth in Sections I.D.2 through I.D.4 at any time prior to receipt of the Settlement Payment (including all accrued interest) in full.

E. If the Settlement Payment has not been received by August 31, 2015, the FDIC-R, in its sole discretion, shall have the right at any time prior to the receipt of the Settlement Payment in full (including all accrued interest) to terminate the Agreement, move to vacate any

dismissal order, to which the Settling Defendants agree to consent, and institute or re-institute an action on the claims the FDIC-R asserted in the D&O Action.

F. In the event that the FDIC-R terminates the Agreement under Sections I.D.3 or I.E, the FDIC-R will provide notice of its intent to do so pursuant to Section VII.E below. Provided that the FDIC-R institutes or re-institutes an action on the claims the FDIC-R asserted in the D&O Action within 120 days after the FDIC-R terminates the Agreement, the Settling Defendants further agree, with respect to such an action, not to assert any objections, defenses, claims, or counterclaims that did not exist or were otherwise unavailable as of the date this Agreement was fully executed, including any defense based on any statute of limitations that would bar any of the FDIC-R's claims. If the FDIC-R terminates the Agreement, then the FDIC-R will return within thirty (30) days all amounts paid to it under the Agreement.

SECTION II: Stipulation and Dismissal

Within ten business days after the latter of (1) full execution of this Agreement by all of the Parties, and (2) receipt of the Settlement Payment, plus any accrued interest, the FDIC-R shall file a stipulation of dismissal with prejudice, executed by the attorneys for all Parties hereto, in the form attached hereto as Exhibit B, in the D&O Action.

SECTION III: Releases

A. The FDIC-R's Releases.

Upon receipt of the Settlement Payment in full and except as provided in Section III.C, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges the Settling Defendants and their respective heirs, executors, trustees, administrators, representatives, insurers, successors, and assigns from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R, that arise from or relate to, the performance, nonperformance, or manner of performance of the Settling Defendants' respective functions, duties, and actions as officers, directors, and/or employees of the Bank, including without limitation the causes of action alleged in the D&O Action

B. The Settling Defendants' Release.

Effective simultaneously with the release granted in Section III.A, above, the Settling Defendants, on behalf of themselves individually, and their respective heirs, executors, trustees, administrators, agents, representatives, attorneys, successors, and assigns, hereby release and discharge the FDIC-R, and its employees, officers, directors, representatives, attorneys, successors, and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, that arise from or relate to, the Bank or to the performance, nonperformance, or manner of performance of the Settling Defendants' respective functions, duties, and actions as officers and/or directors of the Bank including without limitation any claims relating to the causes of action alleged in the D&O Action.

C. Exceptions from Releases by FDIC-R.

1. Notwithstanding any other provision of this Agreement, the FDIC-R does not release, and expressly preserves fully and to the same extent as if this Agreement had not been executed, any claims or causes of action:

a. against the Settling Defendants or any other person or entity for liability, if any, incurred as the maker, endorser, or guarantor of any promissory note or indebtedness payable or owed by them to FDIC-R, the Bank, other financial institutions, or any other person or entity, including without limitation any such claims acquired by FDIC-R as successor in interest to the Bank or any person or entity other than the Bank; and

b. against any person or entity not expressly released by the FDIC-R in this Agreement.

2. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall be construed or interpreted as limiting, waiving, releasing, or compromising the jurisdiction and authority of the Federal Deposit Insurance Corporation in the exercise of its supervisory or regulatory authority or to diminish its ability to institute administrative enforcement or other proceedings seeking removal, prohibition, or any other relief it is authorized to seek pursuant to its supervisory or regulatory authority against any person.

3. Notwithstanding any other provision of this Agreement, this Agreement does not purport to waive, or intend to waive, any claims that could be brought by the United States through the Department of Justice, the United States Attorney's Office for any federal judicial district, or any other department or agency of the United States as defined by 18 U.S.C. § 6. In addition, the FDIC-R specifically reserves the right to seek court-ordered restitution pursuant to the relevant provisions of the Mandatory Victims Restitution Act, 18 U.S.C. §§ 3322 and 3663 et. seq., if appropriate.

SECTION IV: Waiver of Dividends and Proceeds from Litigation

To the extent, if any, that Settling Defendants are or were shareholders of the Bank or its holding company and by virtue thereof are or may be entitled to a dividend, payment, or other distribution upon resolution of the receivership of the Bank or proceeds in any litigation that has been or could be brought against the Federal Deposit Insurance Corporation in any capacity or against the United States based on or arising out of, in whole or in part, the closing of the Bank, or any alleged acts or omissions by the Federal Deposit Insurance Corporation in any capacity, the United States government, or any agency or department of the United States government in connection with the Bank, its conservatorship, or receivership, Settling Defendants hereby knowingly assign to the FDIC-R any and all rights, titles, and interest in and to any and all such dividends, payments, or other distributions, or proceeds.

SECTION V: Representations and Acknowledgements

A. Authorized Signatories. All of the undersigned persons represent and warrant that they are Parties hereto or are authorized to sign this Agreement on behalf of the respective Party, and that they have the full power and authority to bind such Party to each and every provision of this Agreement. This Agreement shall be binding upon and inure to the benefit of the undersigned Parties and their respective heirs, executors, trustees, administrators, representatives, successors, and assigns.

B. Advice of Counsel. Each Party hereby acknowledges that he, she, or it has consulted with and obtained the advice of counsel prior to executing this Agreement, and that

this Agreement has been explained to that Party by his, her, or its counsel.

SECTION VI: Reasonable Cooperation

A. The Parties agree to cooperate in good faith to effectuate all the terms and conditions of this Agreement, including doing, or causing their agents and attorneys to do, whatever is reasonably necessary to effectuate the signing, delivery, execution, filing, recording, and entry, of any documents necessary to conclude the D&O Action and to otherwise perform the terms of this Agreement.

SECTION VII: Other Matters

A. No Admission of Liability. The undersigned Parties each acknowledge and agree that the matters set forth in this Agreement constitute the settlement and compromise of disputed claims and defenses, that this Agreement is not an admission or evidence of liability or infirmity by any of them regarding any claim or defense, and that the Agreement shall not be offered or received in evidence by or against any Party except to enforce its terms.

B. Bankruptcy Proceeding. In the event that the United States Bankruptcy Court for the Southern District of Indiana does not approve the D&O Carrier's payment, or any approval of the D&O Carrier's payment is overturned on appeal, then this Agreement shall be null and void, and the Parties shall return to the same positions they were in prior to entry into this Agreement. If this Agreement becomes null and void, then nothing in this Agreement shall be construed as an admission by any Party.

C. Execution in Counterparts. This Agreement may be executed in counterparts by one or more of the Parties and all such counterparts when so executed shall together constitute the final Agreement, as if one document had been signed by all Parties; and each such counterpart, upon execution and delivery, shall be deemed a complete original, binding the Parties subscribed thereto upon the execution of the Agreement by all Parties. A facsimile, PDF or electronic signature will be considered an original signature for purposes of execution and delivery.

D. Choice of Law. This Agreement shall be interpreted, construed, and enforced

according to applicable federal law, or in its absence, the laws of the State of Indiana.

E. Notices. Any notices required hereunder shall be sent by registered mail, first class, return receipt requested, and by email, to the following:

If to the FDIC-R:

Antony S. Burt
Valarie Hays
Paula M. Ketcham
SCHIFF HARDIN LLP
233 S. Wacker Drive, Suite 6600
Chicago, Illinois 60606
(312) 258-5500

(b)(6) 

L. Anthony Lehr
Counsel, Professional Liability Unit
Federal Deposit Insurance Corporation
3501 Fairfax Drive., # B-7008
Arlington, Virginia 22226
(703) 516-1381



(b)(6)

If to the Settling Defendants:

Richard Alexander
James Thomas
Arnold & Porter LLP
555 Twelfth Street, NW
Washington, DC 20004
(202) 942-5000

(b)(6) 

W. Scott Porterfield
John C. deMouplied
Barack Ferrazzano Kirschbaum & Nagelberg
200 West Madison Street
Suite 3900
Chicago, IL 60606
(312) 984-3100



(b)(6)

F. Entire Agreement and Amendments. This Agreement constitutes the entire agreement and understanding between and among the undersigned Parties concerning the matters set forth herein and supersedes any prior agreements or understandings. This Agreement may not be amended or modified, nor may any of its provisions be waived, except in writing signed by each of the Parties bound thereby, or by their respective authorized attorney(s), or other representative(s).

G. Titles and Captions. All section titles and captions contained in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

II. No Confidentiality. The undersigned Parties acknowledge that this Agreement shall not be confidential and will be disclosed pursuant to the Federal Deposit Insurance Corporation's applicable policies, procedures, and other legal requirements.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by each of them or their duly authorized representatives on the dates hereinafter subscribed.

FEDERAL DEPOSIT INSURANCE CORPORATION AS
RECEIVER FOR INTEGRA BANK, N.A.

(b)(6)

Date: 4-21-15 BY:
TITLE: Counsel
PRINT NAME: L ANTHONY LEHR

Date: _____ MICHAEL VEA

PRINT NAME: _____

Date: _____ BRADLEY STEVENS

PRINT NAME: _____

Date: _____ RAYMOND BECK

PRINT NAME: _____

H. No Confidentiality. The undersigned Parties acknowledge that this Agreement shall not be confidential and will be disclosed pursuant to the Federal Deposit Insurance Corporation's applicable policies, procedures, and other legal requirements.

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FEDERAL DEPOSIT INSURANCE CORPORATION AS
RECEIVER FOR INTEGRA BANK, N.A.

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

Date: 4/23/15

MICHAEL VEA

(b)(6)



PRINT NAME: MICHAEL VEA

Date: _____

BRADLEY STEVENS

PRINT NAME: _____

Date: _____

RAYMOND BECK

PRINT NAME: _____

H. No Confidentiality. The undersigned Parties acknowledge that this Agreement shall not be confidential and will be disclosed pursuant to the Federal Deposit Insurance Corporation's applicable policies, procedures, and other legal requirements.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by each of them or their duly authorized representatives on the dates hereinafter subscribed.

FEDERAL DEPOSIT INSURANCE CORPORATION AS
RECEIVER FOR INTEGRA BANK, N.A.

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

Date: _____

MICHAEL VEA

PRINT NAME: _____

Date: 4/22/15

BRADLEY STEVENS



PRINT NAME: BRADLEY STEVENS

Date: _____

RAYMOND BECK

PRINT NAME: _____

(b)(6)

II. No Confidentiality. The undersigned Parties acknowledge that this Agreement shall not be confidential and will be disclosed pursuant to the Federal Deposit Insurance Corporation's applicable policies, procedures, and other legal requirements.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by each of them or their duly authorized representatives on the dates hereinafter subscribed.

FEDERAL DEPOSIT INSURANCE CORPORATION AS
RECEIVER FOR INTEGRA BANK, N.A.

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

Date: _____

MICHAEL VEA

PRINT NAME: _____

Date: _____

BRADLEY STEVENS

PRINT NAME: _____

Date: April 21, 2015

RAYMOND BECK

(b)(6)

PRINT NAME: Raymond D. Beck

Date: 4/27/15

ARCHIE BROWN

(b)(6)



PRINT NAME: Archie M. Brown Jr.

Date: _____

WARD CLARK

PRINT NAME: _____

Date: _____

ROGER D. WATSON

PRINT NAME: _____

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Date: _____

ARCHIE BROWN

PRINT NAME: _____

Date: 4/23/15

WARD CLARK

(b)(6)



PRINT NAME: WARD R. CLARK

Date: _____

ROGER D. WATSON

PRINT NAME: _____

40750-0000
5/12/14 (02-1)

Date: _____

ARCHIE BROWN

PRINT NAME: _____

Date: _____

WARD CLARK

PRINT NAME: _____

Date: April 21, 2015

ROGER D. WATSON

(b)(6)



PRINT NAME: Roger D. Watson

40752-0002
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