SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made as of this 15th day of July, 2013, by, between, and among the following undersigned parties:

The Federal Deposit Insurance Corporation, as receiver for Rainier Pacific Bank, Tacoma, Washington ("FDIC"), and Stephen Bader, Edward Brooks, Charles Cuzzetto, John Hall, Brian Knutson, Carolyn Middleton, Victor Toy, Alfred Treleven, III, Bruce Valentine, and Darren Zemanek (collectively, the "Settling Defendants") (individually, the FDIC and the Settling Defendants may be referred to herein as a "Party" and collectively as the "Parties").

RECITALS

WHEREAS:

Prior to February 26, 2010, Rainier Pacific Bank ("Bank") was a depository institution organized and existing under the laws of the State of Washington.

On February 26, 2010, the Bank was closed by the Washington Department of Financial Institutions and, pursuant to 12 U.S.C. § 1821(c), the FDIC was appointed receiver. In accordance with 12 U.S.C. § 1821(d), the FDIC as receiver 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 as receiver succeeded were any and 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/or employees of the Bank.

The FDIC has asserted claims against the Settling Defendants, who had each served at various times as directors, officers, and/or employees of the Bank. The Settling Defendants have denied and continue to deny liability for the FDIC's claims.

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

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

SECTION I: Payment to FDIC

A. As an essential covenant and condition to this Agreement, the Settling Defendants, collectively, agree to pay the FDIC the sum of $375,000 (the "Settlement Funds").

B. Within 10 days of the execution of an original, or originals in counterpart, of this Agreement by all of the undersigned Parties to this Agreement, but no later than August 15, 2013, the Settlement Funds shall be delivered to the FDIC by direct wire transfer into an account designated by the FDIC or by certified or cashier's check drawn upon a depository institution acceptable to the FDIC and delivered to an address provided by the FDIC.

In the event that the Settlement Funds are not delivered to the FDIC (or its counsel) by August 15, 2013, interest shall accrue on all unpaid amounts at the rate of 5% per annum from August 15, 2013 until the date of payment. However, if said Settlement Funds are not delivered to the FDIC by August 15, 2013 as a result of the FDIC's failure to execute this Agreement, the FDIC's failure to designate an account for payment by wire transfer, or the FDIC's failure to accept or reject the sufficiency of the depository institution upon which the Settling Defendants propose to draw a certified or cashier's check for the Settlement Funds, no interest shall accrue until ten days after the FDIC cures such failure(s).

C. Without waiving any rights of the FDIC under this Agreement, in the event that all Settlement Funds are not received by the FDIC by August 15, 2013, the FDIC, in its sole discretion, shall have the right to declare this Agreement null and void, shall have the right to extend the payment term of this Agreement for any period of time until it receives all Settlement Funds (including all accrued interest), and/or shall have the right to enforce this Agreement against the Parties, in which event the Parties agree to submit to the jurisdiction of the United States District Court for the Western District of Washington for purposes of any action to enforce this Agreement and Settling Defendants agree to pay all of the FDIC's reasonable attorney's fees expended in enforcing the terms of this Agreement. Any decision by the FDIC to extend the payment term of this Agreement or to accept partial payment of the Settlement Funds shall not prejudice its rights to declare this Agreement null and void if it has not received all Settlement Funds (including all accrued interest) by August 15, 2013, or to enforce the terms of this Settlement Agreement; provided however, that in the event the FDIC declares this Agreement null and void, the FDIC will return all amounts paid to it under this Agreement.

SECTION II: Releases

A. Release of Individual Settling Defendants by FDIC.

Effective upon receipt in full of the Settlement Funds and, if applicable, any accrued interest described in SECTION I above, and without any further action by anyone, and except as provided in SECTION II.D. below, the FDIC, for itself and its employees, officers, directors, representatives, successors, administrators, agents, and assigns, shall be deemed to have, and by operation of law shall have, irrevocably, absolutely, unconditionally, fully, finally, and forever released, relinquished, waived, and discharged each of the Settling Defendants and their respective heirs, executors, administrators, agents, representatives, predecessors, successors, marital communities, and assigns, from any and all claims, demands, obligations, damages, actions, liabilities, and causes of action, direct or indirect, in law or in equity, whether based on federal law, state law, or common law, whether foreseen or unforeseen, matured or unmatured, known or unknown, accrued or not accrued, existing now or to be created in the future, that arise from or relate to the performance, nonperformance, or manner of performance of the Settling Defendants' respective functions, duties, or other actions taken as employees, officers, and/or directors of the Bank.

B. Release of FDIC by the Settling Defendants.

Effective simultaneously with the release granted in SECTION II.A. above, and without any further action by anyone, and except as provided in SECTION II.D. below, the Settling Defendants, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, predecessors, successors, marital communities, attorneys, and assigns, shall be deemed to have, and by operation of law shall have, irrevocably, absolutely, unconditionally, fully, finally, and forever released, relinquished, waived, and discharged the FDIC, and its employees, officers, directors, representatives, successors, administrators, agents, and assigns, from any and all claims, demands, obligations, damages, actions, liabilities, and causes of action, direct or indirect, in law or in equity, whether based on federal law, state law, or common law, whether foreseen or unforeseen, matured or unmatured, known or unknown, accrued or not accrued, existing now or to be created in the future, 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 employees, officers, and/or directors of the Bank.

C. Release by Settling Defendants of Each Other.

Effective simultaneously with the releases granted in SECTION II.B. above, and without any further action by anyone, the Settling Defendants, and their respective heirs, executors, administrators, agents, representatives, predecessors, successors, marital communities, attorneys, and assigns, shall be deemed to have, and by operation of law shall have, irrevocably, absolutely, unconditionally, fully, finally, and forever released, relinquished, waived, and discharged each other from any and all claims, demands, obligations, damages, actions, liabilities, and causes of action, direct or indirect, in law or in equity, whether based on federal law, state law, or common law, whether foreseen or unforeseen, matured or unmatured, known or unknown, accrued or not accrued, existing now or to be created in the future, that arise from or relate to the performance, nonperformance, or manner of performance of their respective functions, duties, and actions as employees, officers, and/or directors of the Bank.

D. Express Reservations From Releases.

1. Notwithstanding any other provision in this Agreement, the FDIC does not release, and expressly preserves fully and to the same extent as if the 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 to the FDIC, the Bank, or other FDIC-insured financial institution, including without limitation any such claims acquired by the FDIC as successor in interest to the Bank or any person or entity other than the Bank;

b. against any person or entity not expressly released in this Agreement; and

c. which are not expressly released in SECTION II.A. above.

2. Notwithstanding any other provision in this Agreement, nothing in this Agreement shall be construed or interpreted as limiting, waiving, releasing, or compromising the jurisdiction and authority of the FDIC in the exercise of its supervisory or regulatory authority or to diminish its ability to institute administrative enforcement proceedings seeking removal, prohibition, or any other administrative enforcement action.

3. Notwithstanding any other provision in this Agreement, this Agreement does not purport or intend to waive any claims which could be brought by the United States through either the Department of Justice, the United States Attorney's Office for the Western District of Washington, or any other federal judicial district. In addition, the FDIC specifically reserves the right to seek court-ordered restitution pursuant to the relevant provisions of the Victim and Witness Protection Act, 18 U.S.C. § 3663, et seq., if appropriate.

4. Except as explicitly provided in SECTIONS II.B. and II.C. herein, the Settling Defendants do not release, and expressly preserve fully and to the same extent as if the Agreement had not been executed, all other claims and causes of action against any person or entity related to any matter, including without limitation any claim some or all of the Settling Defendants have against their respective insurers, with respect to the FDIC claims that are resolved by this Agreement.

SECTION III: Insurance Policies and Proceeds

All rights of ownership or other interest in any insurance policy or policies that may provide insurance coverage to some or all of the Settling Defendants with respect to any or all claims by the FDIC that are resolved by this Agreement, as well as the proceeds of any such policy or policies, belong solely to the Settling Defendants. The FDIC hereby waives, releases, and disclaims any ownership or other interest in any such insurance policy or policies, or ownership or other interest in the proceeds of any such policy or policies.

SECTION IV: Waiver of Dividends

To the extent, if any, that Settling Defendants are or were shareholders of the Bank and by virtue thereof are or may have been entitled to a dividend, payment, or other *pro rata* distribution upon resolution of the receivership of the Bank, they hereby knowingly assign to the FDIC any and all rights, titles, and interest in and to any and all such dividends, payments, or other *pro rata* distributions.

SECTION V: Representations and Acknowledgements

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 that this Agreement is not an admission or evidence of liability by any of them regarding any claim. The Settling Defendants have denied and continue to deny any fault, liability, or wrongdoing as to any claims alleged or asserted by the FDIC.

B. Execution in Counterparts. This Agreement may be executed in counterparts by one or more of the Parties named herein and all such counterparts when so executed shall together constitute the final Agreement, as if one document had been signed by all Parties hereto; and each such counterpart, upon execution and delivery, shall be deemed a complete original, binding the Party or Parties subscribed thereto upon the execution by all Parties to this Agreement.

C. Binding Effect. Each of the undersigned persons represents and warrants that they are a Party 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, administrators, representatives, successors, and assigns.

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 Washington.

E. Entire Agreement and Amendments. This Agreement constitutes the entire agreement and understanding between and among the undersigned Parties concerning the matters set forth herein. This Agreement may not be amended or modified except by another written instrument signed by the Party or Parties to be bound thereby, or by their respective authorized attorney(s) or other representative(s).

F. Reasonable Cooperation. The undersigned Parties agree to cooperate in good faith to effectuate all of the terms and conditions of this Agreement.

G. Advice of Counsel. Each Party hereby acknowledges that 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 or her counsel.

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

I. Authorship/Construction. This Agreement sets forth terms and agreements jointly negotiated by the Parties. It is expressly agreed that this Agreement shall not be construed for or against any Party by reason of which Party drafted it.

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.

(b)(6)

FEDERAL DEPOSIT INSURANCE CORPORATION

Date: 7/16/13

BY: [redacted]

TITLE: Counsel

PRINT NAME: Roy Ahrens

STEPHEN BADER

(b)(6)

Date: 7/16/13 BY: [redacted]

TITLE:

PRINT NAME: STEPHEN BADER

EDWARD BROOKS

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

CHARLES CUZZETTO

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

JOHN HALL

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

STEPHEN BADER

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

EDWARD BROOKS

(b)(6)

Date: July 23, 2013 BY: [redacted]

TITLE:

PRINT NAME: Edward Brooks

CHARLES CUZZETTO

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

JOHN HALL

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

STEPHEN BADER

Date: ____________ BY: ____

TITLE:

PRINT NAME:

EDWARD BROOKS

Date: ____________ BY: ____

TITLE:

PRINT NAME:

CHARLES CUZZETTO

(b)(6)

Date: 7/18/13 BY: [redacted]

TITLE:

PRINT NAME: Charles Cuzzetto

JOHN HALL

Date: ____________ BY: ____

TITLE:

PRINT NAME:

STEPHEN BADER

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

EDWARD BROOKS

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

CHARLES CUZZETTO

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

JOHN HALL

(b)(6)

Date: 07-18-13 BY: [redacted]

TITLE: [redacted]

PRINT NAME: John A. Hall

BRIAN KNUTSON

(b)(6)

Date: 07-16-13 BY: [redacted]

TITLE:

PRINT NAME: BRIAN KNUTSON

CAROLYN MIDDLETON

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

VICTOR TOY

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

ALFRED TRELEVEN, III

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

BRIAN KNUTSON

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

CAROLYN MIDDLETON

(b)(6)

Date: 7/17/2013 BY: [redacted]

TITLE:

PRINT NAME: Carolyn Middleton

VICTOR TOY

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

ALFRED TRELEVEN, III

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

BRIAN KNUTSON

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

CAROLYN MIDDLETON

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

VICTOR TOY

(b)(6)

Date: 7/15/13 BY: [redacted]

TITLE:

PRINT NAME: Victor Toy

ALFRED TRELEVEN, III

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

BRIAN KNUTSON

Date: ______________ BY: ______________________________

TITLE:

PRINT NAME:

CAROLYN MIDDLETON

Date: ______________ BY: ______________________________

TITLE:

PRINT NAME:

VICTOR TOY

Date: ______________ BY: ______________________________

TITLE:

PRINT NAME:

ALFRED TRELEVEN, III

(b)(6)

Date: 7-18-2013 BY: [redacted]

TITLE:

PRINT NAME: Alfred H Treleven III

(b)(6)

BRUCE VALENTINE

Date: 7/18/2013 BY: [redacted]

TITLE:

PRINT NAME: Bruce Valentine

DARREN ZEMANEK

Date: ______________ BY: ______________________________

TITLE:

PRINT NAME:

BRUCE VALENTINE

Date: ____________ BY: ______________________________

TITLE:

PRINT NAME:

DARREN ZEMANEK

(b)(6)

Date: 1-22-13 BY: [redacted]

TITLE:

PRINT NAME: DARREN P. ZEMANEK