SETTLEMENT AND RELEASE AGREEMENT

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

Federal Deposit Insurance Corporation as Receiver for Riverside National Bank of Florida ("FDIC-R"); Ray Horton, Robert McCarthy, Timothy McGuire, Cindy Robbins, Vernon Smith, Susan Sproul, Steve Strickland, and John Williams (collectively the "Settling Defendants"); and Progressive Casualty Insurance Company ("Progressive") (individually, the FDIC-R, the Settling Defendants, and Progressive may be referred to herein as "Party" and collectively as the "Parties").

RECITALS

WHEREAS:

Prior to April 16, 2010, Riverside National Bank of Florida ("Bank") was a depository institution organized and existing under the laws of the United States of America;

On April 16, 2010, 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), 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 April 15, 2013, 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 Florida in *FDIC-R v. Smith, et al.*, No. 2:13-cv-14151 ("D&O Action"). The Settling Defendants have denied, and continue to deny, liability in the D&O Action;

Progressive issued a director and officer liability policy numbered [redacted] (the (b)(4)

"Policy"), under which the directors and officers of the Bank were insureds according to the terms, provisions, and conditions of the Policy. The Settling Defendants asserted claims for coverage under the Policy. Insurer has reserved its rights to deny coverage under the Policy for claims asserted by the FDIC-R against the Settling Defendants; and

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 consideration 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, on or before thirty (30) calendar days following the date this Agreement is executed by all Parties, Progressive agrees to pay the FDIC-R the sum of $3,600,000 ("the Settlement Payment"). Unless otherwise agreed to in writing by FDIC-R, this Agreement is void and unenforceable unless all Parties execute it by March 19, 2014.

B. The Settlement Payment shall be delivered to FDIC-R by direct wire transfer into an account designated by FDIC-R by notice to the attorneys for the Settling Defendants and Progressive.

C. If the FDIC-R does not receive the Settlement Payment in full on or before the date determined by subsection A above, 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 date determined by subsection A above, through the date of payment at a rate calculated in accordance with 26 U.S.C. § 6621(a)(3);

2. Enforce this Agreement, in which event the Settling Defendants and Progressive agree to jurisdiction in United States District Court for the Southern District of

Florida and to pay all of the FDIC-R's reasonable attorney's fees and costs expended in enforcing the terms of this Agreement;

3. Terminate the Agreement, move to vacate any dismissal order (to which the Settling Defendants and Progressive agree to consent), and re-institute an action on the FDIC-R's claims. The Settling Defendants and Progressive further covenant and agree to waive and not assert any objections, defenses, claims, or counterclaims, including any defense based on any statute of limitations that would bar any of the FDIC-R's claims, that did not exist or were otherwise unavailable as of the date this Agreement was fully executed; and/or

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

Any extension of time under Section I.C.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 Section I.C.2 through I.C.4 at any time prior to receipt of Settlement Payment (including all accrued interest) in full.

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 A, in the D&O Action.

SECTION III: Releases

A. <u>The FDIC-R's Releases.</u>

Upon receipt of the Settlement Payment in full and except as provided in Section III.D., the FDIC-R, for itself and its successors and assigns, hereby releases and discharges:

1. The Settling Defendants and their respective heirs, executors, trustees, administrators, agents, 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, 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.

2. Progressive, its parents, subsidiaries, affiliates, and reinsurers, and their respective employees, officers, directors, agents, 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 Policy. As part of this release of the Insurer, the FDIC-R agrees that any interest it may have under the Policy is extinguished.

3. All former directors, officers, and employees of the Bank other than the Settling Defendants (collectively, the "Covered Persons") and their respective heirs, executors, trustees, administrators, agents, 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, belonging to the FDIC-R, that arise from or relate to, the performance, nonperformance, or manner of performance of the Covered Persons' respective functions, duties and actions as directors, officers, and/or employees of the Bank including without limitation the causes of action alleged in the D&O Action. This release shall be null and void as to any Covered Person if such Covered Person asserts any claim against the FDIC-R.

B. <u>The Settling Defendants' Release.</u>

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:

1. FDIC-R and its employees, officers, directors, agents, 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 the causes of action alleged in the D&O Action.

2. Progressive, its parents, subsidiaries, affiliates, and reinsurers, and their respective employees, officers, directors, agents, 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 Policy. The Settling Defendants agree that any interest they have in the Policy is extinguished.

3. Each other and each other's respective heirs, executors, trustees, administrators, agents, representatives, insurers, 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 D&O Action.

C. Progressive's Release.

Effective simultaneously with the releases granted in Section III.A. above, Progressive, for itself and its successors and assigns, and on behalf of its parents, subsidiaries, affiliates and reinsurers, and their successors and assigns, hereby releases and discharges:

1. The FDIC-R and its employees, officers, directors, agents, 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 Policy;

2. Each of the Settling Defendants and their respective heirs, executors, trustees, administrators, agents, representatives, insurers, 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 D&O Action. Except with respect to the claims asserted in the D&O Action released herein, nothing in this release shall affect any defense to coverage Progressive may have with respect to any other claim that may be asserted against it in connection with this Policy or otherwise.

D. 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 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 or her counsel.

SECTION VI: Reasonable Cooperation

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, fault, wrongdoing, 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. 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 by all Parties to this Agreement.

C. 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 Florida.

D. 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:

Stuart Tonkinson
FDIC
1601 Bryan Street
Dallas, Texas 75201
(b)(6) [redacted]

If to Settling Defendants Horton, McGuire, Robbins, Sproul, Strickland, and Williams:

Ryan T. Scarborough
Williams & Connolly, LLP
725 12th Street, N.W.
Washington, D.C. 20005
(b)(6) [redacted]

If to Settling Defendant McCarthy:

Lawrence Kellogg
Levine Kellogg Lehman Schneider & Grossman, LLP
201 S. Biscayne Blvd., 22d Floor
Miami, Florida 33131
(b)(6) [redacted]

If to Settling Defendant Smith:

Howard K. Coates, Jr.
McDonald Hopkins

505 S. Flagler Drive
West Palm Beach, Florida 33301
(b)(6) [redacted]

If to Progressive:

Lewis K. Loss
Loss, Judge & Ward, LLP
1133 21st Street, N.W.
Washington, DC 20036
(b)(6) [redacted]

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 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 the Parties bound thereby, or by their respective authorized attorney(s), or other representative(s).

F. 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.

G. 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 RIVERSIDE NATIONAL BANK OF FLORIDA

(b)(6)

Date: 3-13-2014

BY: [redacted]
TITLE: Counsel
PRINT NAME: Stuart Tonkinson

(b)(6) [redacted]

Date: 3-12-2014 ____________________

Ray Horton

Date: ____________________ ____________________

Robert McCarthy

Date: ____________________ ____________________

Timothy McGuire

Date: ____________________ ____________________

Cindy Robbins

Date: ____________________ ____________________

Vernon Smith

Date: ____________________ ____________________

Susan Sproul

Date: ____________________ ____________________

Steve Strickland

Date: ____________________ ____________________

John Williams

PROGRESSIVE CASUALTY INSURANCE COMPANY

Date:____________________ BY: ____________________

TITLE: Casualty Specialist Senior

PRINT NAME:

Date: ____________________ ______________________________
Ray Horton

(b)(6) [redacted]

Date: 03/13/2014 ______________________________
Robert McCarthy

Date: ____________________ ______________________________
Timothy McGuire

Date: ____________________ ______________________________
Cindy Robbins

Date: ____________________ ______________________________
Vernon Smith

Date: ____________________ ______________________________
Susan Sproul

Date: ____________________ ______________________________
Steve Strickland

Date: ____________________ ______________________________
John Williams

PROGRESSIVE CASUALTY INSURANCE COMPANY

Date: ____________________ BY: ____________________
TITLE: Casualty Specialist Senior
PRINT NAME:

Date: ____________ ____________
Ray Horton

Date: ____________ ____________
Robert McCarthy

(b)(6)
Date: 3-13-14 [redacted]
Timothy McGuire

Date: ____________ ____________
Cindy Robbins

Date: ____________ ____________
Vernon Smith

Date: ____________ ____________
Susan Sproul

Date: ____________ ____________
Steve Strickland

Date: ____________ ____________
John Williams

PROGRESSIVE CASUALTY INSURANCE COMPANY

Date: ____________ BY: ____________
TITLE: Casualty Specialist Senior
PRINT NAME:

Date: ____________ ____________________
Ray Horton

Date: ____________ ____________________
Robert McCarthy

Date: ____________ ____________________
Timothy McGuire

(b)(6) [redacted]

Date: 3/13/14 ____________________
Cindy Robbins

Date: ____________ ____________________
Vernon Smith

Date: ____________ ____________________
Susan Sproul

Date: ____________ ____________________
Steve Strickland

Date: ____________ ____________________
John Williams

PROGRESSIVE CASUALTY INSURANCE COMPANY

Date: ____________ BY: ____________________
TITLE: Casualty Specialist Senior
PRINT NAME:

Date: ____________________ ____________________
Ray Horton

Date: ____________________ ____________________
Robert McCarthy

Date: ____________________ ____________________
Timothy McGuire

Date: ____________________ ____________________
Cindy Robbins

(b)(6)

Date: 3-13-14 [redacted]
Vernon Smith

Date: ____________________ ____________________
Susan Sproul

Date: ____________________ ____________________
Steve Strickland

Date: ____________________ ____________________
John Williams

PROGRESSIVE CASUALTY INSURANCE COMPANY

Date: ____________________ BY: ____________________
TITLE: Casualty Specialist Senior
PRINT NAME:

Date: ____________ ____________
Ray Horton

Date: ____________ ____________
Robert McCarthy

Date: ____________ ____________
Timothy McGuire

Date: ____________ ____________
Cindy Robbins

Date: ____________ ____________
Vernon Smith

(b)(6)

Date: 3/13/2014 ____________
Susan Sprout

Date: ____________ ____________
Steve Strickland

Date: ____________ ____________
John Williams

PROGRESSIVE CASUALTY INSURANCE COMPANY

Date: ____________ BY: ____________
TITLE: Casualty Specialist Senior
PRINT NAME:

Date: ____________ ____________ Ray Horton

Date: ____________ ____________ Robert McCarthy

Date: ____________ ____________ Timothy McGuire

Date: ____________ ____________ Cindy Robbins

Date: ____________ ____________ Vernon Smith

Date: ____________ ____________ Susan Sproul

(b)(6)

Date: MARCH 13, 2014 [redacted] Steve Strickland

Date: ____________ ____________ John Williams

PROGRESSIVE CASUALTY INSURANCE COMPANY

Date: ____________ BY: ____________
TITLE: Casualty Specialist Senior
PRINT NAME:

Date: ____________________ ____________________________
Ray Horton

Date: ____________________ ____________________________
Robert McCarthy

Date: ____________________ ____________________________
Timothy McGuire

Date: ____________________ ____________________________
Cindy Robbins

Date: ____________________ ____________________________
Vernon Smith

Date: ____________________ ____________________________
Susan Sproul

Date: ____________________ ____________________________
Steve Strickland

(b)(6) [redacted]

Date: 3/13/14
John Williams

PROGRESSIVE CASUALTY INSURANCE COMPANY

Date: ____________________ BY: ____________________
TITLE: Casualty Specialist Senior
PRINT NAME:

Date: ____________________ ____________________________
Ray Horton

Date: ____________________ ____________________________
Robert McCarthy

Date: ____________________ ____________________________
Timothy McGuire

Date: ____________________ ____________________________
Cindy Robbins

Date: ____________________ ____________________________
Vernon Smith

Date: ____________________ ____________________________
Susan Sproul

Date: ____________________ ____________________________
Steve Strickland

Date: ____________________ ____________________________
John Williams

PROGRESSIVE CASUALTY INSURANCE COMPANY

(b)(6)

Date: March 13, 2014 BY: [redacted]
TITLE: Casualty Specialist Senior
PRINT NAME: Lawrence D. Leeders