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 George Washington Savings Bank ("FDIC-R"), and Grant Currier, Edward Kearney, John Kovatch, Patricia Webber, George Wiegel, Jr., Mark Wiegel (collectively the "Settling Individuals"), and Progressive Casualty Insurance Company ("Progressive") (individually, the FDIC-R, the Settling Individuals and Progressive may be referred to herein as "Party" and collectively as the "Parties").

RECITALS

WHEREAS:

Prior to February 19, 2010, George Washington Savings Bank ("Bank") was a depository institution organized and existing under the laws of Illinois;

On February 19, 2010, the Illinois Department of Financial & Professional Regulation 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;

The FDIC-R has asserted claims in certain writings dated November 10, 2010, December 24, 2013, and February 5, 2014 (the "Claims" or the "FDIC-R's Claims") against the Settling Individuals, each of whom served at various times as a director and/or officer of the Bank. The Settling Individuals deny liability for the Claims;

Progressive issued a directors' and officers' liability policy numbered [redacted] with (b)(4) an original policy period from October 14, 2008 to October 14, 2011 (subsequently amended) ("Policy"), under which the directors and officers of the Bank were insureds, according to the terms, provisions, and conditions of the Policy. The Settling Individuals asserted claims for coverage under the Policy. Progressive has reserved its rights to deny coverage under the Policy for the Claims asserted by FDIC-R against the Settling Individuals; and

The undersigned Parties deem it in their best interests to enter into this Agreement to avoid the uncertainty 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-R

A. As an essential covenant and condition to this Agreement, the Settling Individuals and Progressive, collectively and not severally, agree to pay the FDIC-R the sum of Two Million Seventy-Five Thousand Dollars and 00/100 ($2,075,000.00) ("the Settlement Payment").

B. The Settlement Payment shall be delivered to the FDIC-R by direct wire transfer into an account designated by FDIC-R by notice to the attorneys for the Settling Individuals and Progressive. The Settlement Payment shall be delivered within thirty (30) calendar days of the last of the following to occur: (i) the execution of this Agreement by all Parties, (ii) delivery by the FDIC-R to counsel for Progressive of full wiring instructions for transfer of the Settlement Payment, or (iii) receipt by counsel for Progressive of the taxpayer ID number and a completed form W-9 for the account into which the Settlement Payment is to be transferred.

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

2. Enforce this Agreement, in which event the Settling Individuals and

Progressive agree to jurisdiction in United States District Court in Illinois 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, and institute an action on the FDIC-R's Claims. In connection with any such action, the Settling Individuals and Progressive further agree to waive any defense based on any statute of limitations that would bar any of the FDIC-R's claims and that did not exist or that was otherwise unavailable as of the date this Agreement was fully executed, and further waive all objections, defenses, claims or counterclaims, and covenant and agree 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; 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: Releases

A. FDIC-R's Releases.

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

1. The Settling Individuals and their respective heirs, executors, trustees, administrators, representatives, 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 Claims, and/or the performance, nonperformance, or manner of performance of the Settling Individuals' respective functions, duties and actions as officers and/or directors of the Bank.

2. All other former directors, officers, and employees of the Bank (collectively, the "Covered Persons"), and their respective heirs, executors, trustees,

administrators, representatives, 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 Claims and/or the performance, nonperformance, or manner of performance of the Covered Persons' respective functions, duties and actions as officers, directors and/or employees of the Bank. This release shall be null and void as to any Covered Person if such Covered Person asserts any claim against the FDIC-R.

3. Progressive, its parents, subsidiaries, affiliates, and reinsurers, and its 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 Progressive, the FDIC-R agrees that any interest it may have under the Policy is extinguished.

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

Effective simultaneously with the release granted in Section II.A. and C, the Settling Individuals, on behalf of themselves individually, and their respective heirs, executors, trustees, administrators, attorneys, agents, representatives, successors, and assigns, hereby release and discharge:

1. 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 Claims, the Bank and/or the performance, nonperformance, or manner of performance of the Settling Individuals' respective functions, duties, and actions as directors, officers and/or employees of the Bank.

2. Progressive, its parents, subsidiaries, affiliates, agents and reinsurers, and their respective 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 Claims, the Policy, the Bank, and/or

the performance, nonperformance, or manner of performance of the Settling Individuals' respective functions, duties, and actions as directors, officers and/or employees of the Bank. The Settling Defendants agree that any interest they may have under the Policy is extinguished.

3. Each other 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 Claims, the Policy, the Bank, and/or the performance, nonperformance, or manner of performance of the Settling Individuals' respective functions, duties, and actions as directors, officers and/or employees of the Bank.

C. <u>Progressive's Release.</u>

Effective simultaneously with the releases granted in Section II.A and B 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. The Settling Individuals and their respective heirs, executors, 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 that arise from or relate to the Policy or Financial Institutions Bond No. [redacted] (b)(4)

D. <u>Exceptions from Releases by FDIC-R.</u>

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 Individuals 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;

b. Against any person or entity not expressly released by the FDIC-R in this Agreement, including but not limited to the attorneys for the Settling Individuals.

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.

4. 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 arising out of any other insurance policy or bond issued to the Bank, including but not limited to Financial Institution Bond Number [redacted] (b)(4)

SECTION III: Waiver of Dividends and Proceeds from Litigation

To the extent, if any, that Settling Individuals 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 Individuals 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 IV: 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.

C. Financial Disclosure Representation. Each Settling Individual has submitted financial information to the FDIC-R including financial statements and herein affirms that his/her financial information is true and accurate as of the date of this Agreement. Each Settling Individual expressly acknowledges that, in determining to settle the claims released herein, the FDIC-R has reasonably and justifiably relied upon the accuracy of the financial information submitted by the Settling Individuals. The FDIC-R has no obligation to independently verify the completeness or accuracy of that financial information. If the FDIC-R establishes via a final adjudication in an appropriate judicial forum that a Settling Individual failed to disclose any material interest, legal, equitable, or beneficial, in any asset, that Settling Individual agrees to cooperate fully with the FDIC-R to provide updated financial information and to pay to the FDIC-R the lesser of (1) the value of the Settling Individual's undisclosed material interest in such asset(s); or (2) the amount of unpaid damages alleged against that Settling Individual.

SECTION V: 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 perform the terms of this Agreement.

SECTION VI: 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. 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 Illinois.

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:

Patrick T. Stanton
Dykema Gossett, PLLC
10 S. Wacker Drive, Suite 2300
Chicago, IL 60606
(312) 627-2282
(b)(6) [redacted]

If to the Settling Individuals:

Robert Handley
Burke & Handley
1430 Branding Avenue
Suite 175
Downers Grove, IL 60515
(630) 852-9197
(b)(6) [redacted]
Attorney for Edward Kearney

Eugene J. Schlitz
Coleman Law Firm
77 West Wacker Drive
Suite 4800
Chicago, IL 60601
(312) 444-1000
(b)(6) [redacted]
Attorney for George Wiegel, Jr. and Mark Wiegel

Kevin M. Flynn
Kevin M. Flynn & Associates
77 West Wacker Drive
Suite 4800
Chicago, IL 60601
(312) 456-0240
(b)(6) [redacted]
Attorney for Grant Currier, and John Kovatch

Joel R. Levin
Perkins Cole LLP
131 South Dearborn Street
Suite 1700
Chicago, IL 60603
(312) 324-8604
(b)(6) [redacted]
Attorney for Patricia Webber

If to Progressive:

Lewis K. Loss
Loss Judge & Ward LLP
Two Lafayette Centre
1133 21st Street NW
Suite 450
Washington, DC 20036
(202) 778-4063

(b)(6) [redacted]

Attorney for Progressive Casualty Insurance Company

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 GEORGE WASHINGTON SAVINGS BANK

(b)(6)

Date: 7/1/2010

BY: [redacted]

TITLE: Counsel

PRINT NAME: Geoffrey M. Link

GRANT CURRIER

(b)(6) Date: 7/11/2014 BY: [redacted]

PRINT NAME: Grant W. Currier

EDWARD KEARNEY

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

JOHN KOVATCH

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

PATRICIA WEBBER

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

GEORGE WIEGEL, JR.

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

MARK WIEGEL

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

GRANT CURRIER

Date: _____ BY: ______________________

PRINT NAME: ______________________

EDWARD KEARNEY

(b)(6) Date: 7-1-14 BY: [redacted]

PRINT NAME: Edward Kearney

JOHN KOVATCH

Date: _____ BY: ______________________

PRINT NAME: ______________________

PATRICIA WEBBER

Date: _____ BY: ______________________

PRINT NAME: ______________________

GEORGE WIEGEL, JR.

Date: _____ BY: ______________________

PRINT NAME: ______________________

MARK WIEGEL

Date: _____ BY: ______________________

PRINT NAME: ______________________

GRANT CURRIER

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

EDWARD KEARNEY

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

JOHN KOVATCH

(b)(6)

Date: 7/10/14 BY: [redacted]

PRINT NAME: JOHN KOVATCH

PATRICIA WEBBER

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

GEORGE WIEGEL, JR.

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

MARK WIEGEL

Date: _____ BY: ______________________________

PRINT NAME: ______________________________

GRANT CURRIER

Date: _____ BY: ______________________

PRINT NAME: ______________________

EDWARD KEARNEY

Date: _____ BY: ______________________

PRINT NAME: ______________________

JOHN KOVATCH

Date: _____ BY: ______________________

PRINT NAME: ______________________

PATRICIA WEBBER

(b)(6) Date: 7/10/14 BY: [redacted]

PRINT NAME: Patricia Webber

GEORGE WIEGEL, JR.

Date: _____ BY: ______________________

PRINT NAME: ______________________

MARK WIEGEL

Date: _____ BY: ______________________

PRINT NAME: ______________________

GRANT CURRIER

Date: _____ BY: ______________________

PRINT NAME: ______________________

EDWARD KEARNEY

Date: _____ BY: ______________________

PRINT NAME: ______________________

JOHN KOVATCH

Date: _____ BY: ______________________

PRINT NAME: ______________________

PATRICIA WEBBER

Date: _____ BY: ______________________

PRINT NAME: ______________________

GEORGE WIEGEL, JR.

(b)(6) Date: 7/11/14 BY: [redacted]

PRINT NAME: George E Wiegel Jr

MARK WIEGEL

(b)(6) Date: 7/11/14 BY: [redacted]

PRINT NAME: Mark Wiegel

(b)(6)

Date: 7/11/14

PROGRESSIVE CASUALTY INSURANCE COMPANY

BY: [redacted]

TITLE: Claims Specialist Sr

PRINT NAME: Lawrence D Leaders