

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made as of this 9 day of October, 2012, by, between, and among the following undersigned parties:

The Plaintiff, Federal Deposit Insurance Corporation, as Receiver of Georgian Bank ("the FDIC-R"), Gordon R. Teel, William Kelly, Gary Nix, Rebecca Abraham, Philip T. Homan, David R. Hunter, Donald A. Rolader, Gary C. Waddell, and J. C. Wallace, Jr. (collectively the "Settling Defendants"), and Federal Insurance Company ("Federal"). The FDIC-R, the Settling Defendants, and Federal may be referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS:

A. Prior to September 25, 2009, Georgian Bank ("the Bank") was a depository institution organized and existing under the laws of Georgia;

B. On September 25, 2009, the Bank was closed by the Georgia Department of Banking and Finance and pursuant to 12 U.S.C. § 1821(c), the FDIC-R was appointed receiver. In accordance with 12 U.S.C. § 1821(d), the FDIC-R as receiver succeeded to all rights, titles, powers and privileges of the Bank, its shareholders, and creditors, including right and title with respect to the Bank's assets.

C. Among the assets to which the FDIC-R as receiver succeeded were any and all claims, demands, and causes of actions against the Bank's former directors, officers and employees arising from the performance, nonperformance and manner of performance of their respective functions, duties and acts as directors and/or officers of the Bank;

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

E. Federal issued directors' and officers' liability policy number [redacted] (the (b)(4), (b)(6) "Federal Policy"), which insured the directors and officers of the Bank according to the terms, provisions and conditions of the Federal Policy. The Settling Defendants have made claims under the Federal Policy. Federal has reserved its rights under the Federal 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, 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-R

A. As an essential covenant and condition to this Agreement, Federal, on behalf of the Settling Defendants, shall pay \$6.75 million (\$6,750,000) to the FDIC-R. Within ten (10) business days following the execution of an original, or originals in counterparts, of this Agreement by each of the undersigned Parties to this Agreement (the "Payment Date"), the \$6.75 million settlement amount (hereinafter the "Settlement Funds") shall be delivered to the FDIC-R by direct wire transfer to the Federal Home Loan Bank of New York, New York Main Office, 101 Park Avenue, New York, NY 10178-0599, Routing No. 0260-0973-9, Account No. (b)(4), (b)(6) [redacted] for the credit to FDIC National Liquidation Account OBI Georgian Bank, Atlanta, GA (FIN 10122) Professional Liability (37100) DIF Fund—contact Marion Tarin ([redacted] or (b)(6)

(b)(6) Douglas Lang In the event that the Settlement Funds are not delivered to the FDIC-R by the Payment Due Date, interest shall accrue on all unpaid amounts at the rate of 5% per annum from the Payment Date until the date of payment.

B. In addition, and without waiving any other rights that the FDIC-R may have, in the event that all Settlement Funds are not received by the FDIC-R on or before the Payment Date, then the FDIC-R, in its sole discretion, shall have the right to declare this Agreement null and void, shall have the right to extend 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, in which event the Parties agree to jurisdiction in the United States District Court for the Northern District of Georgia and the prevailing party(ies) shall be entitled to reasonable attorney's fees in such enforcement action. In the event the FDIC-R declares the Agreement null and void, the Parties agree that all statutes of limitation or timing defenses with respect to claims that the FDIC-R had against any Party prior to the date of the Agreement are tolled from the date of the Agreement until fifteen (15) days after the Agreement is declared null and void.

SECTION II: Releases

A. Release of Individual Settling Defendants by FDIC-R.

Effective upon payment of the Settlement Funds plus any accrued interest described in SECTION I and except as provided in Paragraph II.H, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges each of the Settling Defendants and their respective heirs, executors, and administrators, from any and all claims, demands, obligations, damages, actions, and causes of action, whether known or unknown, whether accrued, inchoate, liquidated, contingent, actual or asserted, 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 and/or directors of the Bank.

B. Release of FDIC-R by the Settling Defendants.

Effective simultaneously with the release granted in Paragraph II.A. above, the Settling Defendants, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge the FDIC-R, and its employees, officers, directors, 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, 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.

C. Release by Settling Defendants of Each Other.

Effective simultaneously with the releases granted in Paragraph II.B. above, the Settling Defendants, and their respective heirs, executors, administrators, representatives, successors and assigns, hereby release and discharge each other 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 performance, nonperformance, or manner of performance of their respective functions, duties and actions as officers and/or directors of the Bank.

D. Release of Federal by FDIC-R.

Effective simultaneously with the releases granted in Paragraphs II.A. and II.B. above, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges Federal, its parents, subsidiaries, affiliates and reinsurers, and their respective employees, officers, directors, agents, 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 Federal Policy; provided that this release shall not extend to or affect any other Federal policy of insurance, including but not limited to Financial Institution Bond No. (b)(4)

E. Release of FDIC-R by Federal.

Effective simultaneously with the release granted in Paragraph II.D. above, Federal, 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 FDIC-R, and its employees, officers, directors, agents, 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, that arise from or relate to the Federal Policy.

F. Release of Settling Defendants by Federal.

Effective simultaneously with the releases granted in Paragraph II.E. above, Federal, 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 each of the Settling Defendants, and their respective heirs, executors, administrators, agents, 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, that arise from or relate to the Federal Policy or the performance, nonperformance, or manner of performance of the FDIC's functions, duties and actions.

G. Release of Certain Insured Persons Other than Settling Parties.

Effective upon payment of the Settlement Funds plus any accrued interest described in SECTION I and except as provided in Paragraph II.H, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges each of the certain insured persons listed in Exhibit

A (hereinafter "Certain Insured Persons") that were named in demand letters sent by the FDIC-R on or about June 24, 2010, and their respective heirs, executors, and administrators, from any and all claims, demands, obligations, damages, actions, and causes of action, whether known or unknown, whether accrued, inchoate, liquidated, contingent, actual or asserted, 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 Certain Insured Persons' respective functions, duties and actions as officers and/or directors of the Bank.

H. Express Reservations From Releases By FDIC-R.

1. Notwithstanding any other provision, by this Agreement, the FDIC-R 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 by them to FDIC-R, the Bank, other financial institutions, or any other person or entity, including without limitation any claims acquired by FDIC-R as successor in interest to the Bank or any person or entity other than Bank, and including but not limited to the right to object to the discharge or dischargeability of any such indebtedness in any bankruptcy proceeding;

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

(c) which are not expressly released in SECTION II above.

2. Notwithstanding any other provision, nothing in this Agreement shall be construed or interpreted as limiting, waiving, releasing or compromising the jurisdiction and

authority of the FDIC-R 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 which may arise by operation of law, rule or regulation.

3. Notwithstanding any other provision, this Agreement does not purport to waive, or intend to waive, any claims which could be brought by any other federal or state governmental agency, including the United States through either the Department of Justice, the United States Attorney's Office for the Northern District of Georgia or any other federal judicial district. In addition, the FDIC-R 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.

SECTION III: Waiver of Dividends and Receivership Claims

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 prorata distribution upon resolution of the receivership of the Bank, they 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 pro rata distributions. The Settling Defendants also waive any claim in the Georgian Bank receivership.

SECTION IV: Waiver of Dividends and Proceeds from Litigation

To the extent, if any, that Settling Defendants are or were shareholders of Georgian 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 Georgian Bank or proceeds in any litigation that has been or could be brought against the United States based on or arising out of, in whole or in part, the closing of Georgian Bank, or any alleged acts or omissions by the

FHLBB, OTS, RTC, FDIC, the FSLIC Resolution Fund or the United States government in connection with Georgian Bank, its conservatorship or receivership; they 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 such proceeds.

SECTION V: Salvage and Waiver of any Subrogation

The FDIC-R shall retain all rights to recover from any of the debtors, direct obligors, or guarantors, and to sell or otherwise dispose of any collateral securing the underlying obligations which form the bases of the losses claimed by the FDIC-R against the Settling Defendants. The Settling Defendants and Federal waive any and all rights or claims of subrogation, legal, equitable, or otherwise.

SECTION VI: 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, that this Agreement is not an admission or evidence of liability by any of them regarding any claim, and the Settling Defendants expressly deny any liability regarding the FDIC's claims.

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 Georgia.

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; provided that, the obligations set forth in the Confidentiality Agreement executed by the parties shall remain in effect. 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. Jointly Drafted.

All of the Parties and their respective counsel mutually contributed to the preparation of, and have had the opportunity to review and revise this Agreement. Accordingly, no provision of this Agreement shall be construed against any Party because that Party, or its counsel, drafted the provision. This Agreement and all of its terms shall be construed equally as to all persons or entities.

G. Specific Representations Warranties and Disclaimer.

The Settling Parties expressly acknowledge that in determining to settle the claims released here, the FDIC-R has reasonably and justifiably relied upon the accuracy of financial information in the financial statements submitted. If, in their financial statements, a Settling Party has intentionally or recklessly failed to disclose any interest, legal, equitable, or beneficial, in any material asset,¹ the involved Settling Party agrees to cooperate fully with the FDIC-R to transfer their interest in the asset to the FDIC-R and to sign any and all documents necessary to transfer their interest in the asset to the FDIC-R. Moreover, if, in their financial statements the involved Settling Party has failed to disclose any interest, legal, equitable, or beneficial, in any material asset, the FDIC-R in its sole discretion, may exercise one or more or all of the following remedies: (a) the FDIC-R may declare the releases granted to the involved Settling Party as null and void; (b) the FDIC-R may retain the Settlement Funds; (c) the FDIC-R may sue the involved Settling Party for damages, an injunction, and specific performance for the breach of this agreement; and (d) the FDIC-R may seek to vacate any dismissal order and reinstate the FDIC-R's claims against the involved Settling Party. The Settling Parties agree that if, in their financial statements, they have failed to disclose any interest, legal, equitable, or beneficial, in any material asset, the involved Settling Parties consent to the reinstatement of FDIC-R's claims and waive any statute of limitations that would bar any of the FDIC-R's claims against them.

H. Reasonable Cooperation.

1. The undersigned parties agree to cooperate in good faith to effectuate all the terms and conditions of this Agreement.

¹ "Material Asset" means any asset having a fair market value of at least 10% of the total amount of assets disclosed by the Settling Party in their financial statement. If multiple assets are involved then the 10% threshold shall be determined on a cumulative basis.

2. Further, the Individual Defendants agree to cooperate fully with the FDIC-R in connection with any action required under this Agreement. Any such cooperation that involves any out of pocket costs is subject to reasonable reimbursement by the FDIC-R pursuant to its internal guidelines and policy for such reimbursement. Such cooperation shall consist of:

(a) producing all documents requested by the FDIC-R, without the necessity of subpoena, as determined by the FDIC-R, in its sole discretion, to be relevant to the Bank;

(b) making themselves available upon request by the FDIC-R at reasonable times and places for interviews regarding facts, as determined by the FDIC-R in its sole discretion, to be relevant to the Bank;

(c) appearing to testify at reasonable times and places, upon request by the FDIC-R, in any matter determined by the FDIC-R in its sole discretion, to be related to the Bank, without the necessity of subpoena from the FDIC-R;

(d) signing truthful affidavits upon request by the FDIC-R, regarding any matter, as determined by the FDIC-R in its sole discretion, to be relevant to the Bank.

I. 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.

J. Notices

Any notices relating to or arising out of this Agreement shall be in writing sent by email and registered or certified mail, return receipt requested, shall be considered delivered when received by the Party to whom it was sent, and shall be addressed to the following recipients:

To the FDIC:

Charles B. Lee, Esq.
Miller & Martin PLLC

(b)(6) Email: [REDACTED]

Suite 1000 Volunteer Building
832 Georgia Avenue
Chattanooga, Tennessee 37402
and

Federal Deposit Insurance Corporation

(b)(6) Email: [REDACTED]

7777 Baymeadows Way Est, Room 551F
Jacksonville, Florida 32256
Attn: Doug Lang, Esq.

To Gordon R. Teel:

James B. Manley, Jr. Esq.
McKenna Long & Aldridge LLP

(b)(6) Email: [REDACTED]

303 Peachtree Street, NE
Suite 5300
Atlanta, Georgia 30308

To William Kelly, Gary Nix, and Rebecca Abraham:

W. Scott Sorrels, Esq.
Sutherland, Asbill & Brennan LLP

(b)(6) Email: [REDACTED]

999 Peachtree Street, NE
Atlanta, Georgia 30309

To Philip T. Homan, David R. Hunter, Donald A. Rolader, Gary C. Waddell, and J.C. Wallace, Jr.:

Robert R. Long, Esq.
Alston & Bird, LLP

(b)(6) Email: [REDACTED]

1201 W. Peachtree Street
Atlanta, Georgia

IN WITNESS WHEREOF the Parties have executed this Agreement individually and with the approval of their attorneys, whose names appear herein, and the FDIC-R has executed this agreement by its duly authorized representatives. By executing this Agreement, each Party

stipulates, agrees, and warrants as follows: (i) that the terms of this Agreement are reasonable; (ii) that he or it will not challenge or contest in any way the capacity or the authority of any Party hereto to make the Agreements set forth herein, and (iii) that the person executing this Agreement on his behalf, or on behalf of the entity indicated, has the necessary and appropriate authority and capacity to execute this Agreement and to make this Agreement fully binding upon and enforceable against himself or the entity he represents.

FEDERAL DEPOSIT INSURANCE CORPORATION

(b)(6)

By



Title: Senior Attorney, FDIC

Date: 10/9/2012

Print Name: DOUGLAS B. LANG

GORDON R. TEEL

Title: _____

Date: _____

Print Name: _____

WILLIAM KELLY

Title: _____

Date: _____

Print Name: _____

GARY NIX

Title: _____

Date: _____

Print Name: _____

stipulates, agrees, and warrants as follows: (i) that the terms of this Agreement are reasonable; (ii) that he or it will not challenge or contest in any way the capacity or the authority of any Party hereto to make the Agreements set forth herein, and (iii) that the person executing this Agreement on his behalf, or on behalf of the entity indicated, has the necessary and appropriate authority and capacity to execute this Agreement and to make this Agreement fully binding upon and enforceable against himself or the entity he represents.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: _____

Title: _____

Print Name: _____

Date: _____

(b)(6)



GORDON R. TEEL

Title: _____

Print Name: GORDON R. TEEL

Date: Oct 8, 2012

WILLIAM KELLY

Title: _____

Print Name: _____

Date: _____

GARY NIX

Title: _____

Print Name: _____

Date: _____

stipulates, agrees, and warrants as follows: (i) that the terms of this Agreement are reasonable; (ii) that he or it will not challenge or contest in any way the capacity or the authority of any Party hereto to make the Agreements set forth herein, and (iii) that the person executing this Agreement on his behalf, or on behalf of the entity indicated, has the necessary and appropriate authority and capacity to execute this Agreement and to make this Agreement fully binding upon and enforceable against himself or the entity he represents.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: _____

Title: _____

Date: _____

Print Name: _____

GORDON R. TEEL

Title: _____

Date: _____

Print Name: _____

(b)(6)



WILLIAM KELLY

Title: Officer

Date: 10/8/12

Print Name: William Kelly

GARY NIX

Title: _____

Date: _____

Print Name: _____

stipulates, agrees, and warrants as follows: (i) that the terms of this Agreement are reasonable; (ii) that he or it will not challenge or contest in any way the capacity or the authority of any Party hereto to make the Agreements set forth herein, and (iii) that the person executing this Agreement on his behalf, or on behalf of the entity indicated, has the necessary and appropriate authority and capacity to execute this Agreement and to make this Agreement fully binding upon and enforceable against himself or the entity he represents.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: _____

Title: _____

Date: _____

Print Name: _____

GORDON R. TEEL

Title: _____

Date: _____

Print Name: _____

WILLIAM KELLY

Title: _____

Date: _____

Print Name: _____

GARY NIX

Title: _____

Date: 10/8/12

Print Name: Gary L. Nix

(b)(6)

(b)(6)



REBECCA ABRAHAM

Title: Officer

Date: 10-8-12

Print Name: Rebecca A. Abraham

PHILIP T. HOMAN

Title: _____

Date: _____

Print Name: _____

DAVID R. HUNTER

Title: _____

Date: _____

Print Name: _____

DONALD A. ROLADER

Title: _____

Date: _____

Print Name: _____

GARY C. WADDELL

Title: _____

Date: _____

Print Name: _____

REBECCA ABRAHAM

Title: _____

Date: _____

Print Name: _____

(b)(6)

PHILIP T. HOMAN

(b)(6)

Title: _____

Date: Oct. 8, 2012.

Print Name: Phillip T. Homan

DAVID R. HUNTER

Title: _____

Date: _____

Print Name: _____

DONALD A. ROLADER

Title: _____

Date: _____

Print Name: _____

GARY C. WADDELL

Title: _____

Date: _____

Print Name: _____

REBECCA ABRAHAM

Title: _____

Date: _____

Print Name: _____

PHILIP T. HOMAN

Title: _____

Date: _____

Print Name: _____

(b)(6)

DAVID R. HUNTER

Title: _____

Date: Oct. 8, 2012

Print Name: David R. Hunter

DONALD A. ROLADER

Title: _____

Date: _____

Print Name: _____

GARY C. WADDELL

Title: _____

Date: _____

Print Name: _____

REBECCA ABRAHAM

Title: _____

Date: _____

Print Name: _____

PHILIP T. HOMAN

Title: _____

Date: _____

Print Name: _____

DAVID R. HUNTER

Title: _____

Date: _____

Print Name: _____

(b)(6)

DONALD A. ROLADER

Title: *director*

Date: *10-8-12*

Print Name: *DONALD A. ROLADER*

GARY C. WADDELL

Title: _____

Date: _____

Print Name: _____

REBECCA ABRAHAM

Title: _____

Date: _____

Print Name: _____

PHILIP T. HOMAN

Title: _____

Date: _____

Print Name: _____

DAVID R. HUNTER

Title: _____

Date: _____

Print Name: _____

DONALD A. ROLADER

Title: _____

Date: _____

Print Name: _____

(b)(6)

(b)(6)

[Redacted Signature]

[Redacted Signature]

GARY C. WADDELL

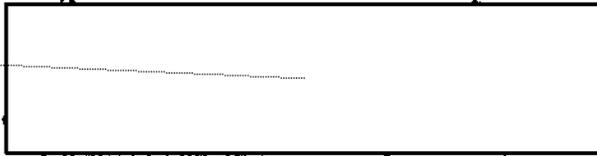
Notary Public, Cobb County, State of GA
My Commission Expires 06-12-15

Title: BANK BOARD

Date: 10/8/12

Print Name: GARY C. WADDELL

(b)(6)



J. C. WALLACE, JR.

Title: Director

Date: _____

Print Name: James C. Wallace, Jr.
**FEDERAL INSURANCE
COMPANY**

By: _____

Title: _____

Date: _____

Print Name: _____

J. C. WALLACE, JR.

Title: _____

Date: _____

Print Name: _____

**FEDERAL INSURANCE
COMPANY**

(b)(6)

By

Title: Assistant Vice President
Chubb+Son, as Manager for Federal Ins. Co.

Date: October 9, 2012

Print Name: HUGH D. SPEARS

EXHIBIT A
ADDITIONAL D&Os

- Yetty Arp
- Kenneth Barber
- Fred Bentley, Jr.
- Frank Brown
- Christine Cooper
- Lynn Darby
- Vince Dooley
- Earl Ehrhart
- Brian Fisher
- Tricia Griner
- Andrew "Jack" Head
- Mark Hennessy
- Pamela Hubby
- David "Robbie" Hunter
- Danny Jett
- John O. Knox
- Patrick Kotora
- Adams "De" Little
- Dexter Lummas
- Cheryl Moultrie
- Alan Najjar
- Adam Ogburn
- John Poelker
- Gerald Ragan
- Wesley Rakestraw
- Philip Resch
- William Russell
- Andy Schival
- Taylor Smith
- Richard Spink
- Michael Thompson
- Don Updegraff
- Kim Ward
- Charlie Watts
- Mary Williamson
- Dan Wolf
- Robert Wynne
- Dorothy Young