SETTLEMENT AGREEMENT AND MUTUAL RELEASE

1. **PARTIES**: The parties to this Settlement Agreement ("Agreement") are Plaintiff FEDERAL DEPOSIT INSURANCE CORPORATION as Receiver for Downey Savings & Loan Association, F.A. ("FDIC") on the one hand, and Defendant MARY SAUNDERS ("Borrower"), on the other hand. The FDIC and Borrower are sometimes herein collectively referred to as the "Parties."

2. **RECITALS**: This Agreement is made with reference to the following facts:

2.1 Certain claims arose between the Parties concerning a residential loan that was made by Downey to Borrower in or about November 16, 2005 in the principal amount of $432,000.00 and secured by a deed of trust on real property located at [redacted] (b)(4),(b)(6) TRACY, CA 95376 (the "Loan"). The Loan defaulted resulting in a loss to Downey which the FDIC seeks to recover upon (the "Claims").

2.2 The Claims subsequently became the subject of a Complaint ("Complaint") entitled *FDIC v. Money Line America, et al,* Case No. CA10-044532, filed by the FDIC in the United States District Court for the Central District of California, Western Division (the "Action").

2.3 Borrower was served with the Summons and Complaint in the Action.

2.4 The Parties have agreed to resolve the Claims being alleged by the FDIC against Borrower pursuant to the terms stated in this Agreement. Accordingly, Borrower has not responded to the Complaint.

2.5 By this Agreement the Parties intend to settle and dispose of, fully and completely, any and all claims, demands, causes of action, obligations, damages, and liabilities that arise out of or relate to the Action and the Claims alleged therein by the FDIC against Borrower.

3. **NO ADMISSION RE MERITS OF CLAIMS**: The Parties agree that nothing in this Agreement, and no performance under this Agreement, shall be construed as an admission by either Party of the validity or invalidity of the Claims alleged in the Action against Borrower; and, the Parties agree that this Agreement is entered into for the purpose of convenience and to compromise the disputed Claims alleged in the Action.

4. **SETTLEMENT TERMS**: The Parties agree to the following settlement terms:

4.1 Borrower agrees to cooperate with the FDIC in its pursuit of its Claims in the Action against the other named Defendants by: (a) cooperating with the FDIC's counsel in the drafting of Borrower's declaration under penalty of perjury that will describe the events Borrower witnessed surrounding the Loan; and/or (b) Borrower giving a deposition in the

Action; and/or (c) Borrower testifying at the trial of the Action. In the event Borrower is required to testify at deposition or the trial of the Action, he/she agrees to do so without requiring service of a subpoena for his/her appearance and all travel expenses relating to his/er appearance shall be paid for by the FDIC (e.g., air fare, hotel and meals at the rates and per diem set by federal employee guidelines then in effect).

4.2 Concurrent with the execution of this Agreement, the FDIC shall file a dismissal with prejudice of Borrower from the Action.

5. **MUTUAL RELEASE**:

5.1 In consideration of the Settlement terms as set forth in Paragraph 4 above, and all other promises, covenants and consideration provided for herein, the Parties agree that, except as to such rights or claims as may be created by this Agreement, they hereby covenant not to sue each other again on the Claims and the Parties acknowledge full and complete satisfaction of, and hereby release, remise, and forever discharge each other, including their respective officers, directors, affiliated companies, agents, servants, representatives, spouse, heirs, successors or predecessors in interest, assignees, attorneys, employees and contractors of and from any and all Claims, demands, counts, obligations, agreements, damages, liabilities, losses, costs and expenses of any kind, in law or in equity, whether known or unknown, that either Party now holds, or has ever held against the other, that arise out of or are in any way connected with, the Claims alleged in the Action.

5.2. This Agreement shall be binding on the Parties and on their respective officers, directors, affiliated companies, agents, servants, representatives, spouse, heirs, successors or predecessors in interest, assignees, attorneys, employees and contractors and shall inure to the benefit of said Parties, and each of them.

6. **ATTORNEYS' FEES**: In the event that any action is brought to enforce or interpret this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees in addition to any other relief to which the prevailing party may be entitled.

7. **REPRESENTATIONS AND WARRANTIES**: The Parties represent, warrant, and agree as follows:

7.1 Each of the Parties has received or had the opportunity to seek their own independent legal advice with respect to the advisability of executing this Agreement. The Parties acknowledge that they have executed this Agreement without fraud, duress, or undue influence. The Parties affirm that they have read this Agreement and understand the contents hereof.

7.2 No Party, nor any agent or attorney of any Party, has made any statement, representation, or promise to any other Party regarding any facts which the Party has then relied upon in entering into this Agreement, and the Parties here each affirm that they have not relied

upon any statement, representation or promise by any other Party, or of any agent or attorney for another Party, in executing this Agreement, or in making the settlement provided for herein, except as is expressly represented or promised in this Agreement.

7.3 None of the Parties have heretofore assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the Claims that are alleged in the Action.

7.4 Each Party agrees to execute any additional documents as reasonably convenient, necessary or desirable to carry out the provisions of this Agreement.

8. **MISCELLANEOUS**:

8.1 This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereto shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

8.2 This Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties. This Agreement may only be modified in a writing signed by all the Parties. This Agreement shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties to this Agreement.

8.3 The provisions of this Agreement are contractual and not mere recitals. The Agreement shall be considered severable, such that if any provision or part of the Agreement is ever held invalid under any law or ruling, that provision or part of the Agreement shall remain in force and effect to the extent allowed by law, and all other provisions or parts shall remain in full force and effect.

8.4 This Agreement may be executed in counterparts and shall be effective on the date first executed by any one of the Parties hereto if so executed in counterparts (the "effective date"). An authenticated copy of this Agreement can be used for any purpose for which the original may be used.

(b)(6) [redacted]

DATED: Sept. 24, 2010

(b)(6) [redacted] Name: MARY SAUNDERS

(b)(6) [redacted]

DATED: Nov. 4, 2010

(b)(6) [redacted]

FEDERAL [redacted] EPOSIT INSURANCE
CORPOR[redacted]ON as Receiver for
Downey Savings & Loan Association, F.A.
By: Kevin Wheelwright
Its: Section Chief