SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made as of this 10th day of August, 2011, by, between, and among the following undersigned parties: The Federal Deposit Insurance Corporation as receiver of Butler Bank, Lowell, Massachusetts ("FDIC-R"), and John H. Pearson, Jr. ("Settling Defendant"). The FDIC-R and the Settling Defendant may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS:

1. Prior to April 16, 2010, Butler Bank ("Bank") was a depository institution organized and existing under the laws of the Commonwealth of Massachusetts;

2. On April 16, 2010, the Bank was closed by the Massachusetts Division of Banks and, pursuant to 12 U.S.C. § 1821(c), the FDIC-R was appointed receiver of the Bank. 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;

3. Among the assets to which the FDIC-R succeeded were any and all of the Bank's claims, demands, and causes of actions 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 and/or officers of the Bank;

4. The FDIC-R is investigating claims against the Settling Defendant, who served as a director and officer of the Bank. The Settling Defendant denies liability for the FDIC-R's claims;

5. The Settling Defendant and the Federal Deposit Insurance Corporation ("FDIC") have entered into a Stipulation and Consent to the Issuance of an Order to Pay ("Consent Agreement") dated August 10, 2011, whereby, among other things, the Settling Defendant has agreed to pay a civil money penalty in the amount of $225,000, and the FDIC has agreed to remit the civil money penalty on the condition that the Settling Defendant pays $225,000 to the FDIC-R; and

6. 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:

AGREEMENT

SECTION I: Payment to the FDIC-R

A. As an essential covenant and condition to this Agreement, the Settling Defendant has agreed to pay the FDIC-R the sum of $225,000 ("Settlement Funds"), as specified in the Consent Agreement.

B. Within thirty (30) days of the date of the Consent Agreement, the Settlement Funds shall be delivered to the FDIC for forwarding to the FDIC-R, or to the FDIC-R with a copy to the FDIC, by cashier's check drawn upon a depository institution acceptable to the FDIC-R.

In the event that the Settlement Funds are not delivered to the FDIC or to the FDIC-R within thirty (30) days of the date of the Consent Agreement, interest shall accrue on all unpaid amounts at the rate of 5% per annum from the date that is thirty-one (31) days after the date of the Consent Agreement, until the date of payment.

C. 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 or the FDIC-R within thirty (30) days of the date of the Consent Agreement, then the FDIC-R, in its sole discretion, shall have the right at any time prior to receipt of all Settlement Funds (including all accrued interest) 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 against the Settling Defendant, in which event the Settling Defendant agrees to jurisdiction in Federal District Court in Massachusetts and agrees to pay all of the FDIC-R's reasonable attorney's fees expended in enforcing the terms of this Agreement.

Any decision by the FDIC-R to extend the terms of this Agreement or to accept a portion of the Settlement Funds shall not prejudice its rights to declare this Agreement null and void with respect to the Settling Defendant at any time prior to receipt of all Settlement Funds (including all accrued interest) or to enforce the terms of this Settlement Agreement; provided, however, that in the event the FDIC-R declares this Agreement null and void, the FDIC-R will return all amounts paid to it under this Agreement by the Settling Defendant.

SECTION II: Releases

A. Release of the Settling Defendant by the FDIC-R. Effective upon receipt in full of the settlement funds plus any accrued interest described in SECTION I above, and except as provided in PARAGRAPH II.C. below, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges the Settling Defendant and his heirs, executors, 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 performance, nonperformance, or manner of performance of the Settling Defendant's functions, duties and actions as an officer and director of the Bank.

B. Release of the FDIC-R by the Settling Defendant. Effective simultaneously with the release granted in PARAGRAPH II.A. above, the Settling Defendant, on behalf of himself individually and his respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby releases and discharges 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 Defendant's respective functions, duties and actions as an officer and/or director of the Bank.

C. Express Reservations from Releases by the 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 Defendant 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 the FDIC-R, the Bank, other financial institutions, or any other person or entity, including without limitation any such claims acquired by the FDIC-R as successor in interest to the Bank or any person or entity other than Bank;

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

c. which are not expressly released in Paragraph II.A. 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 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 the United States through either the Department of Justicc, the United States Attorney's Office for the District of Massachusetts 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 Proceeds from Litigation

To the extent, if any, that the Settling Defendant is or was a shareholder of the Bank or its holding company and by virtue thereof is 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 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 Home Loan Bank Board (or its successors), the Office of Thrift Supervision, the Resolution Trust Corporation (or its successors), the FDIC, the Federal Savings and Loan Insurance Corporation Resolution Fund (or its successors), or the United States government in connection with Butler Bank, its conservatorship or receivership, the Settling Defendant hereby knowingly assigns 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 IV: 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.

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 Commonwealth of Massachusetts.

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. Specific Representations Warranties and Disclaimer. The Parties expressly acknowledge that, in determining to settle the claims released herein, the FDIC-R has reasonably and justifiably relied upon the accuracy of the financial information, including but not limited to personal financial statements and related materials, submitted by the Settling Defendant to the FDIC ("Financial Information"). If, in such Financial Information, the Settling Defendant has failed to disclose any material interest, legal, equitable, or beneficial, in any asset, the Settling Defendant agrees to cooperate fully with the FDIC-R to transfer his interest in the asset to the FDIC-R and to sign any and all documents necessary to transfer his interest in the asset to the FDIC-R. Moreover, if, in his Financial Information, the Settling Defendant has failed to disclose any material interest, legal, equitable, or beneficial, in any 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 Settling Defendant as null and void; (b) the FDIC-R may retain the Settlement Funds; and (c) the FDIC-R may sue the Settling Defendant for damages, an injunction, and specific performance for breach of this Agreement. The Settling Defendant agrees that if, in his Financial Information, he has failed to disclose any material interest, legal, equitable, or beneficial, in any asset, the Settling Defendant consents to the reinstatement of the

FDIC-R's claims and waives any statute of limitations that would bar any of the FDIC-R's claims against him.

G. Reasonable Cooperation.

1. The undersigned 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 perform the terms of this Agreement.

2. Further, the Settling Defendant agrees 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 the Settling Defendant 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, 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 a subpoena; and

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.

H. Advice of Counsel. Each Party hereby acknowledges that he 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 its counsel.

I. Enforceability. In the event that any provision of this Agreement is held to be void or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall have the same force and effect as though the void or unenforceable parts have been deleted.

J. Authorship. In the event any dispute, disagreement or controversy arises regarding this Agreement, the Parties shall be considered joint authors and no provision shall be interpreted against any Party because of authorship.

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

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 of Butler Bank

(b)(6)

Date: August 11, 2011 By: ______________________
Dominic A. Arni, Esq.
Counsel

JOHN H. PEARSON, JR.

Date: August __, 2011 By: ______________________
John H. Pearson, Jr.

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FEDERAL DEPOSIT INSURANCE CORPORATION
As Receiver of Butler Bank

Date: August __, 2011

By: ______________________________
Dominic A. Ami, Esq.
Counsel

JOHN H. PEARSON, JR.

(b)(6)

Date: August 10, 2011

By: ______________________________