



SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made as of this 23rd day of December, 2010, by, between, and among the following undersigned parties: The Federal Deposit Insurance Corporation as Receiver of Ocala National Bank ("FDIC-R), the former officers, directors and employees of Ocala National Bank, including but not limited to, Donald H. Kay, Rance Howard Kay, Kyle Andrew Kay, Emery Alfred Abshier, Michael Wayne Berryhill, Jerry Barton Cullison, John Edward Fabian, Jr., Dane Clark Griffin, John M. Plunkett, Harold L. Russell, and Eric DeGroot (collectively, the "Settling Defendants"), and St. Paul Mercury Insurance Co. ("Travelers"). The FDIC-R, the Settling Defendants and Travelers may be referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

This Agreement is entered into in reference to the following:

1. Prior to January 30, 2009, Ocala National Bank ("ONB" or the "Bank") was a federally chartered bank operating in the State of Florida.
2. On January 30, 2009, the Office of the Comptroller of the Currency closed ONB and the FDIC-R was appointed receiver pursuant to 12 U.S.C. § 1821(c). 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, including those with respect to its assets. Among the assets to which the FDIC-R succeeded were any and all of ONB's claims, demands, and causes of actions against its former directors, officers and employees arising from the performance, nonperformance and/or manner of performance of their respective functions, duties and acts as directors, officers and/or employees of ONB.
3. Travelers issued SelectOne for Community Banks Policy No. EC00900095 (the "Policy") to ONB. The Settling Defendants sought coverage under the Policy in response to claims asserted by the FDIC-R. Travelers reserved its rights to deny coverage under the Policy for claims asserted by the FDIC-R against the Settling Defendants.

4. The Parties deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, and expense of further litigation. Among other things, the Parties have agreed that the Agreement shall be a settlement and release of all claims held by the FDIC-R, including its agents, successors and assigns, for all claims now or hereafter held by the FDIC-R against all former officers, directors and employees of ONB (collectively, the "Covered Persons") that arise from or relate to the performance, non-performance or manner of performance of the Covered Persons' respective functions, duties and/or actions as employees, officers and/or directors of ONB.

NOW, THEREFORE, in consideration of the promises, undertakings, payments, and releases stated herein, the sufficiency and receipt of which consideration is hereby acknowledged, the Parties agree as follows:

Section I: Payment to FDIC-R

A. As an essential covenant and condition to this Agreement, Travelers shall pay to the FDIC-R the sum of TWO MILLION DOLLARS (\$2,000,000.00) and the Settling Defendants shall pay to the FDIC-R the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), which sum shall not be indemnified or contributed to by Travelers, by way of wire transfer to Bank: Federal Home Loan Bank of New York, Routing No. 0260-0973-9, Account No. 1076010, for the credit to "FDIC National Liquidation Account, OBI: FIN10032, Ocala National Bank, Ocala, Florida; Contact: Carrie Sutherland 214-497-8554; Professional Liability Settlement (37100); DIF Fund" The settlement payments by Travelers and the Settling Defendants are collectively referred to herein as the "Settlement Funds."

B. The Settlement Funds shall be delivered to FDIC-R by direct wire transfer as described in Paragraph A. above on or before January 31, 2011 ("the due date"). In the event that the Settlement Funds are not delivered to FDIC-R by the due date, interest shall accrue on all unpaid amounts at the rate of 6% per annum from the due date until the date of payment, said date of payment shall in no event be later than March 31, 2011 as described more fully in paragraph I.

C. below. Interest shall be owed only by the Party or Parties that fail to make timely payment.

C If all Settlement Funds and accrued interest are not received by March 31, 2011, this Agreement shall be deemed null and void, having no legal validity or binding affect whatsoever upon the Parties.

Section II: Releases

A. Release of Settling Defendants and Covered Persons by FDIC-R

Effective upon payment of the Settlement Funds pursuant to Section I above, the FDIC-R, for itself and its agents, successors and assigns, hereby releases and discharges each of the Settling Defendants and all Covered Persons from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, known or unknown, belonging to the FDIC-R, that arise from or relate to, (1) the performance, nonperformance, or manner of performance of the Settling Defendants' and/or Covered Persons' respective functions, duties and actions as employees, officers and/or directors of ONB and/or (2) the fact that any Settling Defendant or Covered person is or was an officer, director, or employee of ONB. For purposes of clarification and certainty, this release is applicable to, and includes each of the Settling Defendants and each and every Covered Person who is not a Settling Defendant, as well as each and every of their respective heirs, executors, administrators, representatives, successors and assigns.

B. Release of FDIC-R by the Settling Defendants

Effective simultaneously with the release granted in Paragraph A of this Section II, the Settling Defendants, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge FDIC-R, and its employees, officers, directors, attorneys, 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, ONB or to the performance, nonperformance, or manner of performance of the Settling Defendants' respective functions,

duties and actions as officers and/or directors of ONB or that arise from or relate to the Policy.

C. Release of Travelers by FDIC-R

Effective simultaneously with the releases granted in Paragraphs A and B of this Section II, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges Travelers, its parents, subsidiaries, affiliates and reinsurers, and their respective 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 Policy. The FDIC-R agrees that any interest it may have under the Policy is extinguished.

D. Release of Travelers by Settling Defendants

Effective simultaneously with the releases granted in Paragraphs A and B of this Section II, the Settling Defendants, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge Travelers, its parents, subsidiaries, affiliates and reinsurers, and their respective 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 are based upon claims by the FDIC-R against the Settling Defendants that have been released pursuant to this Agreement, including but not limited to any contractual or extra-contractual claims based upon the handling, defense, or resolution of the claims released by the FDIC-R. The Parties agree that this release shall be construed so that the Settling Defendants are deemed to release claims against Travelers only to the extent that the FDIC-R is deemed to release claims against the Settling Defendants. Furthermore, this release shall not affect Travelers' obligations with respect to Defense Costs incurred by the Settling Defendants through counsel consented to by Travelers in response to the FDIC-R's released claims.

E. Release of FDIC-R by Travelers

Effective simultaneously with the release granted in Paragraph C and D of this Section II, Travelers, 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, attorneys, 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 Policy.

F. Release of Settling Defendants by Travelers

Effective simultaneously with the releases granted in Paragraph C, D and E of this Section II, Travelers, 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, attorneys, 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, based upon the claims released by the FDIC-R pursuant to this Agreement, including but not limited to any contractual or extra-contractual claims based upon the handling, defense, or resolution of the claims released by the FDIC-R. The Parties agree that this release shall be construed so that Travelers is deemed to release claims against the Settling Defendants only to the extent that the FDIC-R is deemed to release claims against the Settling Defendants.

G. Express Reservations From Releases By FDIC-R

1. Notwithstanding any other provision, contained in 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 other evidence of indebtedness payable or owed by them or any of them to FDIC-R, ONB, other financial institutions, or any other person or entity, including without limitation any claims acquired by Federal Deposit Insurance Corporation in its corporate capacity ("FDIC-C") or 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 in this Agreement.

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-C 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 hereof, 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 Justice, the United States Attorney's Office for the Middle District of Florida or any other federal judicial district. In addition, the right of the FDIC-R 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, also is not waived or released.

4. The FDIC-R represents and warrants that, as of the date of this Agreement, it has not transferred any claim, cause of action or other right that would be released hereunder if such claim, cause or action or right had not been previously transferred by the FDIC-R prior to the date of this Agreement, and to that end the Parties agree that the release by the FDIC-R set forth in Paragraph A of Section II is a full and complete release of all such claims, causes of action and rights.

Section III: Waiver of Dividends

To the extent, if any, that Settling Defendants are or were depositors, creditors and/or shareholders of ONB and by virtue thereof are or may have been entitled to a dividend, payment, or other pro-rata distribution upon resolution of the receivership of ONB, 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.

Section IV: Representations and Acknowledgements

A. No Admission of Liability Each of the Parties 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 or of coverage 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 for which they are signing, 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. Specific Representations and Warranties. The Settling Defendants severally but not jointly swear and affirm that all financial information in the affidavits and financial statements prepared by them and provided to the FDIC-R pursuant to the FDIC-R's January 11, 2010 subpoenas was true and accurate at the time of submission.

E. Reasonable Cooperation.

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

F. **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.

G. **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).

H. **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.

Enforcement of Agreement In the event that any Party brings suit to enforce the terms of this Agreement, or based on the alleged breach of the terms hereof, the Parties agree to exclusive venue in the United States District Court for the Middle District of Florida, Ocala Division, or in the event that the said federal court does not have jurisdiction, the Circuit Court in and for Marion County, Florida. In such event, the prevailing Party or Parties shall be entitled to recover all costs incurred from the non-prevailing party or parties, including reasonable attorneys' fees.

J. **Time is of the Essence.** Time is of the essence in this Agreement, including specifically, payment of the Settlement Funds to FDIC-R on or before the due date.

SIGNATURE PAGES TO FOLLOW

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

Date: January 21, 2011 BY: C. L. Sutherland
TITLE: Counsel
PRINT NAME: Carrie L. Sutherland

TRAVELERS INSURANCE COMPANY

Date: _____ BY: _____
TITLE: _____
PRINT NAME: _____

Date: _____
Donald H. Kay, Jr.

Date: _____
Rance Howard Kay

Date: _____
Kyle Andrew Kay

Date: _____
Emery Alfred Abshier

Date: _____
Michael Wayne Berryhill

Date: _____
Jerry Barton Cullison

Date: _____
John Edward Fabian, Jr.

Date: _____
Dane Clark Griffin

Date: _____
John M. Plunkett

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FEDERAL DEPOSIT INSURANCE CORPORATION

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

TRAVELERS INSURANCE COMPANY

Date: 1/13/2011

BY: Jennifer J. Middleton

TITLE: Claim Attorney

PRINT NAME: Jennifer J. Middleton

Date: _____

Donald H. Kay, Jr.

Date: _____

Rance Howard Kay

Date: _____

Kyle Andrew Kay

Date: _____

Emery Alfred Abshier

Date: _____

Michael Wayne Berryhill

Date: _____

Jerry Barton Cullison

Date: _____

John Edward Fabian, Jr.

Date: _____

Dane Clark Griffin

Date: _____

John M. Plunkett

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FEDERAL DEPOSIT INSURANCE CORPORATION

Date: _____

BY: _____
TITLE: _____
PRINT NAME: _____

TRAVELERS INSURANCE COMPANY

Date: _____

BY: _____
TITLE: _____
PRINT NAME: _____

Date: January 14, 2011

Donald H. Kay, Jr.
Donald H. Kay, Jr.

Date: _____

Rance Howard Kay

Date: _____

Kyle Andrew Kay

Date: _____

Emery Alfred Abshier

Date: _____

Michael Wayne Berryhill

Date: _____

Jerry Barton Cullison

Date: _____

John Edward Fabian, Jr.

Date: _____

Dane Clark Griffin

Date: _____

John M. Plunkett

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Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

TRAVELERS INSURANCE COMPANY

Date: _____

BY: _____

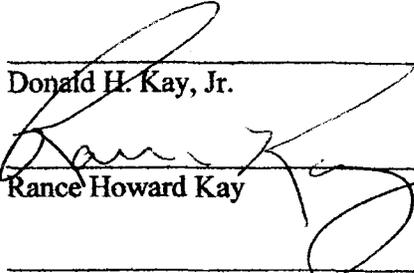
TITLE: _____

PRINT NAME: _____

Date: _____

Donald H. Kay, Jr.

Date: 1/12/2011



Rance Howard Kay

Date: _____

Kyle Andrew Kay

Date: _____

Emery Alfred Abshier

Date: _____

Michael Wayne Berryhill

Date: _____

Jerry Barton Cullison

Date: _____

John Edward Fabian, Jr.

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Dane Clark Griffin

Date: _____

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BY: _____
TITLE: _____
PRINT NAME: _____

TRAVELERS INSURANCE COMPANY

Date: _____

BY: _____
TITLE: _____
PRINT NAME: _____

Date: _____

Donald H. Kay, Jr.

Date: _____

Rance Howard Kay

Date: *January 15, 2011*

[Signature]

Kyle Andrew Kay

Date: _____

Emery Alfred Abshier

Date: _____

Michael Wayne Berryhill

Date: _____

Jerry Barton Cullison

Date: _____

John Edward Fabian, Jr.

Date: _____

Dane Clark Griffin

Date: _____

John M. Plunkett

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Donald H. Kay, Jr.

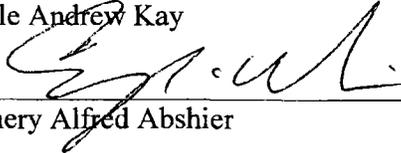
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Rance Howard Kay

Date: _____

Kyle Andrew Kay

Date: 1/17/11



Emery Alfred Abshier

Date: _____

Michael Wayne Berryhill

Date: _____

Jerry Barton Cullison

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Date: _____

Rance Howard Kay

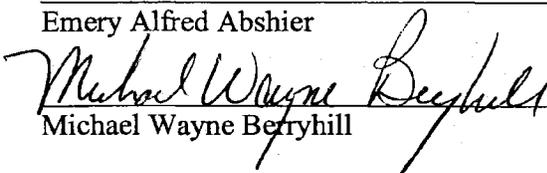
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Kyle Andrew Kay

Date: _____

Emery Alfred Abshier

Date: 1/12/11



Michael Wayne Berryhill

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Kyle Andrew Kay

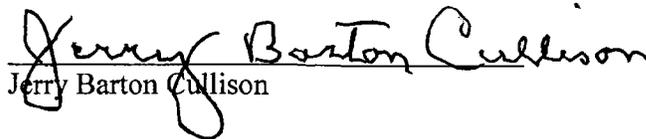
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Emery Alfred Abshier

Date: _____

Michael Wayne Berryhill

Date: 1-12-2011



Jerry Barton Cullison

Date: _____

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Date: _____

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Date: _____
Donald H. Kay, Jr.

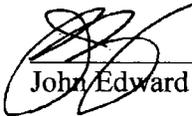
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Rance Howard Kay

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Kyle Andrew Kay

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Emery Alfred Abshier

Date: _____
Michael Wayne Berryhill

Date: _____
Jerry Barton Cullison

Date: 1.12.11

John Edward Fabian, Jr.

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Dane Clark Griffin

Date: _____
John M. Plunkett

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Rance Howard Kay

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Kyle Andrew Kay

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Emery Alfred Abshier

Date: _____

Michael Wayne Berryhill

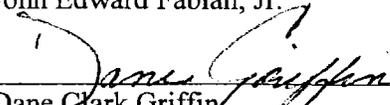
Date: _____

Jerry Barton Cullison

Date: _____

John Edward Fabian, Jr.

Date: JAN. 14, 2011



Dane Clark Griffin

Date: _____

John M. Plunkett

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PRINT NAME: _____

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PRINT NAME: _____

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Donald H. Kay, Jr.

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Kyle Andrew Kay

Date: _____
Emery Alfred Abshier

Date: _____
Michael Wayne Berryhill

Date: _____
Jerry Barton Cullison

Date: _____
John Edward Fabian, Jr.

Date: _____
Dane Clark Griffin

Date: 1-19-11

John M. Munkett

Date: 1-13-2011


Harold L. Russell

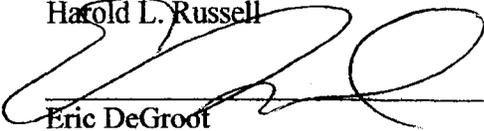
Date: _____

Eric DeGroot

Date: _____

Harold L. Russell

Date: 1/11/11 _____


Eric DeGroot