

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made as of this ___ day of March 2013, by the Federal Deposit Insurance Corporation, as receiver of Haven Trust Bank Florida ("FDIC-R") and Narendra C. Patel ("Patel"), by and through his undersigned counsel (collectively "the Parties").

RECITALS

WHEREAS, Haven Trust Bank Florida ("HTBF" or "Bank") was a State Chartered Non Member Commercial Bank, the deposits of which were insured by the Federal Deposit Insurance Corporation, and a wholly-owned subsidiary of H. Financial Florida, Inc., a one bank holding company ("Holding Company"); and

WHEREAS, Patel served as a director on the Board of Directors and member of the Directors Loan Committee ("DLC") of HTBF from August 2006 to March 2010; and

WHEREAS, on or about September 24, 2010, the Florida Office of Financial Regulation closed HTBF, whereupon the Federal Deposit Insurance Corporation was appointed as receiver for HTBF ("FDIC-R"). 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; and

WHEREAS, the Bank's assets belonging to the FDIC-R include 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, officers, and/or employees of the Bank; and

WHEREAS, on or about September 24, 2010, First Southern Bank, Boca Raton, Florida (hereafter "First Southern") assumed nearly all of the assets and all of the deposits of the Bank pursuant to a Purchase and Assumption Agreement with the FDIC-R; and

WHEREAS, on December 3, 2010, the FDIC-R sent a notice of potential claims (“FDIC Claims”) to Patel and other former HTBF officers and directors detailing wrongful acts that they, as directors and/or officers of HTBF, might be liable for by allegedly participating in, permitting, and/or failing to prevent practices that were allegedly in breach of their fiduciary duties, were negligent and grossly negligent and that allegedly caused millions of losses to the FDIC-R; and

WHEREAS, on January 5, 2012 Patel filed for protection pursuant to Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Middle District of Florida (“Bankruptcy Court”), In re Jyostna Patel and Narendra C. Patel, No. 3:12-bk-00051 (Bankr. M.D. Fla.) (the “Bankruptcy Proceeding”); and

WHEREAS, on April 23, 2012, the FDIC-R filed a timely Proof of Claim in the Bankruptcy Proceeding for \$22 million for civil damages against Patel for losses allegedly caused to FDIC-R by his conduct as former Bank director and member of the DLC that allegedly constituted negligence, gross negligence, and a breach of his fiduciary duties; and

WHEREAS, on July 17, 2012, Patel filed a Verified Objection to the FDIC-R’s Proof of Claim in the Bankruptcy Proceeding; and

WHEREAS, the Bankruptcy Court scheduled a hearing to address Patel’s Verified Objection for February 18, 2013, but by agreement of the Parties continued that hearing until April 3, 2013; and

WHEREAS, the 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, on or before fourteen (14) days following the date the United States Bankruptcy Court for the Middle District of Florida approves this Agreement, Patel agrees to pay the FDIC-R the sum of THIRTY-FIVE THOUSAND DOLLARS (\$35,000.00) ("the Settlement Payment").

B. Patel shall deliver the Settlement Payment to the FDIC-R by direct wire transfer to:

ADDRESS: Federal Home Loan Bank of New York, New York Main Office,
101 Park Avenue, New York NY 10178-0599. 212-681-6000 (Tel. number);
212-441-6890 (Fax number)

ROUTING #: **(b) (4)**

FOR CREDIT TO: FDIC National Liquidation Account, Account # 1076010

OBI: Haven Trust Bank Florida (FIN 10293); Professional Liability (37100)
DIF Fund--Contact Gary Fisher, 904-256-3734; Peter M. Casey, 703-316-1383;
reference Haven Trust Bank Florida (FIN 10293) Professional Liability (37100) DIF Fund.

C. If the FDIC-R does not receive the Settlement Payment in full on or before the date determined by subsection A above, then the FDIC-R, in its sole discretion, shall have the right to:

1. extend the period of time for payment, including interest accruing from the date identified in subsection A above, through the date of payment in full at a rate calculated in accordance with 26 U.S.C. §6621(a)(2);
2. at any time prior to receipt of payment in full (including accrued interest), declare this agreement null and void;
3. at any time prior to receipt of payment in full (including accrued interest), enforce this Agreement and, in such event, Patel agrees to jurisdiction in Federal District Court in the Middle District of Florida, and to pay all of the FDIC-R's reasonable attorney's fees and costs expended in enforcing the terms of this Agreement; and/or
4. seek any other relief available to it in law or equity.

D. Any extension of time for delivery of the Settlement Payment shall not prejudice the FDIC-R's right to take other action or seek any relief during or after such period of extension, including the right to terminate the Agreement or bring an action to enforce the Agreement.

SECTION II: Releases.

A. The FDIC-R's Release.

Effective upon receipt of the Settlement Payment and except as provided in SECTION III.C., the FDIC-R, for itself and its successors and assigns, hereby releases and discharges Patel and his respective agents, representatives, attorneys, heirs, executors, administrators, 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 Patel's functions, duties and actions as a Bank director, member of the DLC and the Holding Company.

B. Patel's Release.

Effective simultaneously with the release in SECTION II.A. above, Patel, on behalf of himself individually, and his respective insurers, employees, officers, directors, agents, representatives, attorneys, heirs, executors, administrators, successors and assigns, hereby release and discharge 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 Bank or to the performance, nonperformance, or manner of performance of Patel's functions, duties and actions as a Bank director and member of the DLC.

C. Exceptions from Releases by FDIC-R.

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 Patel 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, First Southern, 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;

b. against any person or entity, including but not limited to, former officers, directors and employees of the Bank and/or Holding Company, who are not expressly released by the FDIC-R in this Agreement; and

2. Notwithstanding any other provision of this Agreement, nothing herein limits, waives, releases, diminishes or compromises the jurisdiction and authority of the Federal Deposit Insurance Corporation in the exercise of its supervisory or regulatory authority to institute administrative enforcement or other proceedings seeking removal, prohibition, civil penalties, restitution or other relief it is authorized to seek pursuant to its supervisory or regulatory authority against any person including Patel.

3. Notwithstanding any other provision of this Agreement, this Agreement does not waive any claims which could be brought by the United States through the Department of Justice, the United States Attorney's Office for any federal judicial district, the United States Securities & Exchange Commission, 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 Victim and Witness Protection Act, 18 U.S.C. § 3663, et. seq., if appropriate.

D. Invalid, Fraudulent or Preferential Transfers.

To the extent that any of the Settlement Payment is invalidated, declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or any other party under the Bankruptcy Code or other federal or state law, in whole or in part, regardless of the occurrence of the effective date of the release provisions above:

- (a) the release by (and actions, if any, taken by) the FDIC-R pursuant to SECTION II.A. above are vacated and void *ab initio*;
- (b) the FDIC-R shall retain its claims against Patel in full as if this Settlement Agreement had not been entered into;
- (c) the parties will proceed as if this Settlement Agreement had not been entered into and nothing in this Settlement Agreement shall be admissible for any purpose in any litigation between any of the parties or involving any of the parties, nor shall this Settlement Agreement give rise to any admission by, or estoppel of, any party hereto; and
- (d) the FDIC-R shall be entitled to any other remedies available at law or equity including, without limitation, its right to assert the non-dischargeability of the debt in any court of competent jurisdiction.

SECTION III: Waiver of Dividends and Proceeds from Litigation.

To the extent, if any, that Patel is or was a shareholder 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 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 United States government or any agency or department thereof in connection with the Bank, its conservatorship or receivership; Patel hereby knowingly assigns to the FDIC-R any and all rights, title and interest in and to any and all such dividends, payments or other distributions, or proceeds.

SECTION IV: Termination.

If the FDIC-R does not receive the Settlement Payment in full on or before the date determined by SECTION IA above, or the Settlement Payment is invalidated, declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or any other party under the Bankruptcy Code or other federal or state law, in whole or in part, as addressed by SECTION II.D above, then Patel fully waives, and agrees not to assert, the statute of limitations or any other time-based defense with respect to any and all FDIC Claims that the FDIC-R may bring, except that any and all defenses available to Patel as of the date of the signing of this Settlement Agreement shall not be waived and Patel shall have the right to assert such defenses.

SECTION V: Notices.

Any notices required hereunder shall be sent by registered mail, first class, return receipt requested, and may also be sent by email, to the following:

If to the FDIC-R:

Peter M. Casey
Counsel, Professional Liability Unit
Federal Deposit Insurance Corp.
3501 N. Fairfax Drive VS-B-7010
Arlington, VA 22229

(b) (6)

(703) 516-1383

If to Patel:

Eric Jacobs
Buddy Ford

The Law Offices of Buddy D. Ford, P.A.
115 North MacDill Avenue
Tampa, Florida 33609-1521
(b) (6)

(813) 877-4669

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 hereto except to enforce its terms.

B. Execution.

This Agreement and the settlement reflected herein shall not be binding or enforceable until this Agreement has been executed by all the Parties hereto. 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.

All of the undersigned persons represent and warrant 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, attorneys, successors and assigns.

D. Entire Agreement.

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. No representations, warranties or inducements have been made to or relied on by any party concerning this Agreement and its exhibits other than those contained therein.

E. Amendments.

This Agreement may not be amended or modified, nor may any of its provisions be waived, except in writing by the party or parties bound thereby, or by their respective authorized attorney(s) or other representative(s).

F. Specific Representations Warranties and Disclaimer.

Patel expressly acknowledges 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 disclosures submitted in the Bankruptcy Proceeding. If, in his disclosures, Patel failed to disclose any 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 may declare the release granted to Patel as null and void; (b) the FDIC-R may retain the Settlement Payment; (c) the FDIC-R may sue Patel 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 Patel. Patel agrees that if, in his affidavit, he failed to disclose any interest,

legal, equitable, or beneficial, in any asset, he consents 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 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 effectuate the signing, delivery, execution, filing, recording, and entry, of any documents necessary to perform the terms of this Agreement.

2. Patel agrees to cooperate fully with the FDIC-R in connection with any action required under this Agreement. Such cooperation shall consist of:

a. producing all relevant Bank documents in his possession, custody or control, requested by the FDIC-R, as determined by the FDIC-R, in its sole discretion, without the necessity of subpoena;

b. appearing as requested by the FDIC-R at reasonable times and places for interviews regarding relevant Bank facts, as determined by the FDIC-R in its sole discretion;

c. testifying as requested by the FDIC-R, without the necessity of subpoena, in any matter relevant to the Bank, as determined by the FDIC-R in its sole discretion; and

d. signing truthful affidavits relevant to the Bank as requested by the FDIC-R, regarding any relevant Bank matter, as determined by the FDIC-R in its sole discretion.

H. Choice of Law.

This Agreement shall be interpreted, construed and enforced according to applicable federal law, or in its absence, the internal laws of the State of Florida, without regard to its conflicts of laws.

I. Forum.

Any legal action brought to enforce this Agreement shall be brought in the United States District Court for the Middle District of Florida.

J. 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, her or its counsel.

K. Severability.

If any provision of this Agreement is held unenforceable, then such provision will, if possible, be modified to be enforceable but still reflect the parties' intentions. In any event, the remaining provisions of this Agreement shall remain in full force and effect.

L. Title and Captions.

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

M. Authorship/Construction.

This Agreement sets forth terms and agreements jointly negotiated by the parties. It is expressly agreed that this Agreement shall not be construed for or against any party by reason of which party drafted it.

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 Haven Trust Bank Florida

(b) (6)

Date: March 21, 2013

BY: _____

TITLE: Counsel, Professional Liability Unit

PRINT NAME: Peter M. Casey

NARENDRA C. PATEL

(b) (6)

Date: 3/28th, 2013

BY: _____

TITLE: Counsel, Narendra C. Patel

PRINT NAME: Eric Jacobs

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 Haven Trust Bank Florida

(b) (6)

Date: March 21, 2013

BY:

TITLE: Counsel, Professional Liability Unit

PRINT NAME: Peter M. Casey

NARENDRA C. PATEL

(b) (6)

Date: March 28, 2013

BY:

TITLE: Counsel, Narendra C. Patel

PRINT NAME: Eric Jacobs