SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made as of this 27th day of April, 2015, by, between, and among the following undersigned parties:

Federal Deposit Insurance Corporation, as receiver for Bank of Lincolnwood ("FDIC-R"); and

Continental Casualty Company ("Continental") (individually, the FDIC-R and Continental may be referred to herein as "Party" and, collectively, as the "Parties").

RECITALS

WHEREAS:

Prior to June 5, 2009, Bank of Lincolnwood ("Bank") was a depository institution organized and existing under the laws of the State of Illinois.

In February 2009, the Bank discovered that $525,000 it had paid as dividends to its former Chairman and CEO, Clyde William Engle ("Engle") could not have been paid, and that Engle had withheld key financial information from the Bank's Board when it approved the dividends. Soon thereafter, the Bank dismissed Engle, and on July 6, 2009, notice of the loss was given to Continental in accordance with Community Financial Institutions Bond No.
(b)(4) [redacted] (the "Bond").

On June 5, 2009, the Bank was closed by the Illinois Department of Financial and Professional Regulation, 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, succeeded to all rights, titles, powers, and privileges of the Bank, including those with respect to its assets.

On September 11, 2009, the FDIC-R submitted a Proof of Loss, and on September 16, 2013, the FDIC-R submitted an Amended Proof of Loss to Continental for a claim under the Bond arising from Engle's dishonesty relating to the dividends of $525,000 (the "Dividend Claim"). In connection with these submissions, Continental requested additional information and documents from the FDIC in order to evaluate the Dividend Claim.

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. The Recitals above are incorporated herein by reference.

B. As an essential covenant and condition to this Agreement, Continental agrees to pay to the FDIC-R the sum of Three Hundred Seventy-Five Thousand Dollars ($375,000.00) (the "Settlement Funds").

C. Not later than ten business days following the execution of a signed original, or signed originals in counterpart, of this Agreement by the undersigned Parties to this Agreement (the "Payment Due Date"), the Settlement Funds shall be delivered to the FDIC-R by direct wire transfer into the following designated account:

BANK: Federal Home Loan Bank of New York
(b)(4) **ROUTING #:** [redacted]
FOR CREDIT TO: FDIC National Liquidation Account
(b)(4) **ACCOUNT #:** [redacted]

OBI: FIN 10064; Bank of Lincolnwood, Lincolnwood, IL; Contact: Michael J. Pollack, 703-562-2592; Bond Settlement; Professional Liability ([redacted]); DIF Fund (b)(5)

FHLB New York
New York Main Office
101 Park Avenue

New York, NY 10178-0599
212-681-6000 (Phone)
212-441-6890 (Fax)

D. In the event that the Settlement Funds are not delivered in full to the FDIC-R by the Payment Due Date, interest shall accrue on all unpaid amounts at the compound rate of 5 percent per annum from such date until the date of payment in full.

E. 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 30 days following the Payment Due Date, 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 Continental, which agrees to jurisdiction in the United States District Court for the Northern District of Illinois in Chicago, Illinois (the "Federal District Court"), and further agrees to pay all the FDIC-R's reasonable attorneys' fees expended in enforcing Continental's obligation to pay the Settlement Funds or any part of them. 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 the FDIC-R's rights to declare this Agreement null and void 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 Continental. The Parties further agree to the jurisdiction of the Federal District Court to resolve any other disputes related to the enforcement of the terms of this Agreement.

SECTION II: Releases

A. Release of Continental by FDIC-R. Effective upon payment by Continental of the Settlement Funds, together with any accrued interest (as specified in Section I.D above), the FDIC-R, for itself and its successors and assigns, hereby releases and discharges Continental, 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, statutory or non-contractual, that the FDIC-R has or had for losses arising from the Dividend Claim.

B. Release of FDIC-R by Continental. Effective simultaneously with the release granted in Paragraph II.A. above, Continental, 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 the 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, for losses arising from the Dividend Claim.

C. Express Reservations from Releases.

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 any 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 claims acquired by the FDIC-R as successor in interest to the Bank, or any person or entity other than the Bank;

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

c. against Continental for any other losses or claims, aside from those arising from the Dividend Claim, for which coverage may be provided under the Bond or any other Continental insurance policy issued to the Bank; and

d. that are not expressly released in Section II.B. above.

2. Notwithstanding any other provision, this Agreement does not waive any claims or actions that could be brought by any agency or instrumentality of the United States government other than the FDIC-R.

SECTION IV: Additional Covenants

A. Assignment. The FDIC-R hereby assigns and transfers to Continental, its successors and assigns, for their use and benefit, all rights, claims, and actions the FDIC-R may have against Engle involving any dishonest, fraudulent, and/or intentional act committed by Engle that caused any loss arising from the Dividend Claim, limited to the extent of the amount of the Settlement Funds.

B. Confidential Materials. Continental may retain possession of any and all documents produced to it by the FDIC-R in connection with the Dividend Claim; however, Continental shall not publish such documents or disclose them to any other person, except as may be necessary in connection with any claim Continental may pursue against Engle pursuant to the assignment in Section IV.A above, or as may be permitted under that certain Confidentiality Agreement entered by the FDIC-R and Continental, dated March 3, 2011 (the

"Confidentiality Agreement"). Upon the conclusion of any claim that Continental may pursue against Engle, or if Continental decides not to pursue such a claim, Continental shall dispose of all documents produced to it by the FDIC-R in connection with the Dividend Claim, as provided under the Confidential Agreement.

SECTION V: Representations and Acknowledgments

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 a disputed claim, and that this Agreement is not an admission or evidence of liability by either of them regarding any claim, nor is it intended to be, nor shall it be construed as, an interpretation of the Bond or any other insurance policy. This Agreement and negotiations leading to it shall not be used as evidence, or in any other manner, before any court or any proceeding to create, prove, or interpret the obligations or alleged obligations of Continental under the Bond to any Party or non-party to this Agreement. Except as provided above, the Parties may use the Agreement in any other proceeding to the extent deemed relevant and admissible by a court, and may use this Agreement in any manner as may be necessary to enforce the terms of the Agreement.

B. Cooperative Drafting. The Parties to this Agreement have participated jointly in the negotiation and preparation of this Agreement. Accordingly, each Party agrees not to assert that the other Party is the sole or principal drafter of the Agreement. The Parties also agree not to assert that any canon of construction applicable to sole or principal drafters should be applied against any Party.

C. 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.

D. Binding Effect. Each of the undersigned persons represents and warrants that he or she is duly authorized to sign this Agreement on behalf of the respective Party, and has 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, directors, officers, employees, agents, attorneys, successors, and assigns.

E. No Confidentiality. The Parties acknowledge and agree that this Agreement is a public document that will need to be disclosed pursuant to 12 U.S.C. § 1821(s) and other applicable laws and regulations.

F. Construction. The descriptive headings of this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement.

G. Notices. If any Party gives notice to another Party under this Agreement, such notice shall be (i) delivered personally, (ii) sent by Federal Express (or another recognized overnight or two-day courier), requesting next-day or second-business-day delivery, or (iii) sent by United States Certified or Registered Mail, postage prepaid, return receipt requested. Any such notice shall be deemed given when (i) so delivered personally, (ii) if sent by express courier, one or two business days (as the case may be) following delivery to the courier, or (iii) if sent by United States Certified or Registered Mail, three business days after the date of deposit in the United States Mail to the respective address of the Party as set forth below:

If to the FDIC-R: Michael Pollack
Supervisory Counsel
Federal Deposit Insurance Corporation
3501 North Fairfax Drive
Arlington, VA 22226
Telephone: (703) 562-2592

With a copy to:

Susan Valentine
Robinson Curley & Clayton, P.C.
300 South Wacker Drive, Suite 1700
Chicago, IL 60606
Telephone: (312) 663-3100

If to Continental: Timothy Markey
Fidelity Bond Claim Director
CNA-Specialty Claim
Management Liability Financial Institutions and Technology
1249 South River Road
Cranbury, NJ 08512
Telephone: (609) 860-2341

or to such other address as the recipient Party has specified by prior written notice to the sending Party (or in the case of counsel, to such other readily ascertainable business address as such counsel may hereafter maintain). If more than one method for sending notice as set forth above is used, the earliest notice date established as set forth above shall control.

H. 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 Illinois.

I. 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).

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 BANK OF LINCOLNWOOD

(b)(6)

By: [redacted]
Printed Name: THOMAS J. O'BRIEN
Title: COUNSEL, FDIC

Dated: 4/27/2015

CONTINENTAL INSURANCE COMPANY

(b)(6)

By: [redacted]
Printed Name: TIMOTHY MARKEY
Title: CLAIM DIRECTOR

Dated: 4/28/15