

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made as of this *9th* day of March 2012, by, between, and among the following undersigned parties: The Federal Deposit Insurance Corporation as Receiver of Metropolitan Savings Bank ("FDIC-R), Mark Abbott, Michael Bernick, Ronald Deutsch, Robert Lentz, Donna Shebetich and John Paul Spina (collectively, "the Settling Defendants") and Cincinnati Insurance Company ("Cincinnati"). The FDIC-R, the Settling Defendants and Cincinnati 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 February 2, 2007, Metropolitan Savings Bank ("Metropolitan" or "the Bank") was a state-chartered mutual savings bank operating in the Commonwealth of Pennsylvania.

2. On February 2, 2007, the Pennsylvania Department of Banking closed Metropolitan 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 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 the Bank.

3. Cincinnati issued Financial Institutions Blue Chip Policy BCP (the (b)(4)
Policy") which insured the directors, officers and employees of the Bank according to the terms,

provisions and conditions of the Policy. The Settling Defendants have made claims under the Policy in response to claims asserted by the FDIC-R.

4. The Parties deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, and expense of 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 Metropolitan (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 Metropolitan.

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, Cincinnati shall pay to the FDIC-R the sum of Three Hundred Fifty Thousand Dollars (\$350,000) ("the Settlement Funds).

B. The Settlement Funds shall be delivered to FDIC-R within ten (10) days from the date that the Settlement and Release Agreement is fully executed by all Parties ("the due date"). In the event the Settlement Funds are not delivered to FDIC-R by the due date, interest shall accrue on all unpaid amounts at the rate of 5% per annum from the due date until the date of payment.

C. If all Settlement Funds are not received by the due date, the FDIC, 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 the Settlement Funds (including all accrued interest), and/or shall have the right to enforce this Agreement against the Party or Parties failing to deliver the Settlement Funds, in which event the Parties agree to jurisdiction in the United States District Court for the Western District of Pennsylvania and agree to pay all of the FDIC-R's reasonable attorney's fees expended in enforcing the terms of this Agreement.

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 Metropolitan and/or (2) the fact that any Settling Defendant or Covered person is or was an officer, director, or employee of Metropolitan, including but, not limited to the allegations made by or on behalf of FDIC-R against Settling Defendants as set forth by Counsel for FDIC-R in letters dated September 11, 2009 and November 11, 2009 addressed to Settling Defendants and Counsel for Cincinnati respectively. 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, or to the performance, nonperformance, or manner of performance of the Settling Defendants' respective functions, duties and actions as officers and/or directors of Metropolitan or that arise from or relate to the Policy.

C. Release of Cincinnati by FDIC-R

Effective simultaneously with the releases granted in Paragraphs A and B of this Section II, the FDIC-R, for itself and as receiver for Metropolitan and for its successors and assigns, hereby releases and discharges Cincinnati, its parents, subsidiaries, affiliates and reinsurers, and their respective employees, officers, directors, agents, representatives, successors and assigns, from any and all past, present or future 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 right, title or interest it may have in the Policy is extinguished.

D. Release of Cincinnati 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 Cincinnati, 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 Settling Defendants agree that any right, title or interest they may have in the Policy is extinguished.

E. Release of FDIC-R by Cincinnati

Effective simultaneously with the release granted in Paragraph C and D of this Section II, Cincinnati 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 Cincinnati

Effective simultaneously with the releases granted in Paragraph C, D and E of this Section II, Cincinnati 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 it 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, 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 or the United States Attorney's Office for the Western District of Pennsylvania 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 of 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 Paragraphs A and C 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 Metropolitan and by virtue thereof are or may have been entitled to a dividend, payment, or other pro-rata distribution upon resolution of the receivership, 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 request 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 Commonwealth of Pennsylvania.

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.

I. **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 Western District of Pennsylvania, or in the event that the said federal court does not have jurisdiction, the Court of Common Pleas of Allegheny County, Pennsylvania. 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.

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 Metropolitan Savings Bank

B)

Title: Counsel

Dated: 3/09/12

Print Name: Robert J. DeHenzel, Jr.

Dated: _____

Mark Abbott

Dated: _____

Michael Bernick

Dated: _____

Ronald Deutsch

Dated: _____

Robert Lentz

Dated: _____

Donna Shebetich

Dated: _____

John Paul Spina

Cincinnati Insurance Company

By: _____

Title: _____

Dated: _____

Print Name: _____

Dated: _____

Print Name: _____

Dated: _____

Mark Abbott

Dated: _____

Michael Bernick

Dated: _____

Ronald Deutsch

Dated: _____

Robert Lentz

Dated: _____

Donna Shebetich

Dated: _____

John Paul Spina

Cincinnati Insurance Company (b)(6)

(b)(6)

[Redacted]

By

Title: Superintendent - Execution Risk Claims

Dated: 3-9-12

Print Name: David K Koon

Dated: _____

Print Name: DONNA SHEBETICH

Dated: _____

Mark Abbott

Dated: _____

Michael Bernick

Dated: _____

Ronald Deutsch

Dated: _____

Robert Lentz

(b)(6)

Dated: 2-13-12

Donna Shebetich

Dated: _____

John Paul Spina

Cincinnati Insurance Company

By: _____

Title: _____

Dated: _____

Print Name: _____

Dated: 3/15/2012

Print Name: Michael Bernick

Dated: _____

Mark Abbott (b)(6)

(b)(6)

Dated: 3/28/2012

Michael Bernick

Dated: _____

Ronald Deutsch

Dated: _____

Robert Lentz

Dated: _____

Donna Shebetich

Dated: _____

John Paul Spina

Cincinnati Insurance Company

By: _____

Title: _____

Dated: _____

Print Name: _____

Dated: 03-08-12

Print Name: MARK ABBOTT

(b)(6)

Dated: 03-08-12



Mark Abbott

Dated: _____

Michael Bernick

Dated: _____

Ronald Deutsch

Dated: _____

Robert Lentz

Dated: _____

Donna Shebetich

Dated: _____

John Paul Spina

Cincinnati Insurance Company

By: _____

Title: _____

Dated: _____

Print Name: _____

Dated: _____

Print Name: _____

Dated: _____

Mark Abbott

Dated: _____

Michael Bernick

(b)(6)

Dated: 3-9-2012

Ronald Deutsch

Dated: _____

Robert Lentz

Dated: _____

Donna Shebetich

Dated: _____

John Paul Spina

Cincinnati Insurance Company

By: _____

Title: _____

Dated: _____

Print Name: _____

Dated: _____

Print Name: _____

Dated: _____

Mark Abbott

Dated: _____

Michael Bernick

Dated: _____

Ronald Deutsch

(b)(6)

Dated: 3/15/12

Robert Lentz (b)(6) (b)(6)

Dated: _____

Donna Shebetich

Dated: _____

John Paul Spina

Cincinnati Insurance Company

By: _____

Title: _____

Dated: _____

Print Name: _____

Dated: _____

Print Name: _____

Dated: _____

Mark Abbott

Dated: _____

Michael Bernick

Dated: _____

Ronald Deutsch

Dated: _____

Robert Lentz

Dated: _____

Donna Shebetich (b)(6)

(b)(6)

Dated: 3/9/12

[Redacted]
John Paul Spina ✓

Cincinnati Insurance Company

By: _____

Title: _____

Dated: _____

Print Name: _____