

SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,
Department of Insurance, Securities
and Banking,

Petitioner,

v.

DC CHARTERED HEALTH PLAN, INC.,

Respondent.

Civil Action No.: 2012 CA 008227 2
Judge: Wright
Next Event: Hearing
July 31, 2013 at 11:30 a.m.

PRAECIPE
NOTICE OF FILING BY REHABILITATOR OF MOTION FOR ORDER APPROVING
SETTLEMENT WITH CARDINAL BANK

D.C. Chartered Health Plan, Inc. ("Chartered"), acting through its Rehabilitator, files the attached motion for an order approving the settlement with Cardinal Bank.

July 29, 2013

Respectfully submitted,

TROUTMAN SANDERS, LLP

/s/ Prashant K. Khetan
Prashant K. Khetan
Bar Number 477636
401 9th Street, NW Suite 1000
Washington, D.C. 20004
(202) 274-2950
(202) 274-2994 (facsimile)
prashant.khetan@troutmansanders.com

/s/ David K. Herzog
David K. Herzog (admitted *pro hac vice*)
Faegre Baker Daniels LLP
300 N. Meridian Street, Suite 2700
Indianapolis, Indiana 46204
(317) 237-1240
David.Herzog@faegrebd.com

Attorneys for the Rehabilitator and the
Special Deputy to the Rehabilitator

Certificate of Service

I hereby certify that on this 29th day of July, 2013, a copy of the foregoing was filed and served by email upon:

William P. White, Rehabilitator
c/o Stephanie Schmelz
DISB, Office of the General Counsel
810 First St., NE, Suite 701
Washington, D. C. 20002
Stephanie.Schmelz@dc.gov

Daniel Watkins
Special Deputy Rehabilitator
1050 K Street NW, Suite 400
Washington, DC 20001
danwatkins@sunflower.com

Charles T. Richardson
Faegre Baker Daniels LLP
1050 K Street NW, Suite 400
Washington, DC 20001
crichardson@faegredb.com

Stephane J. Latour
E. Louise R. Phillips
Assistant Attorney Generals
441 Fourth Street, NW, 630 South
Washington, D.C. 20001
Louise.Phillips@dc.gov
Stephane.Latour@dc.gov

David Killalea
Manatt, Phelps & Phillips, LLP
700 12th Street, NW Suite 1100
Washington, DC 20005-4075
dkillalea@manatt.com

Steven I. Glover
Gibson, Dunn & Crutcher
1050 Connecticut Avenue, NW
Washington, D. C. 20036
siglover@gibsondunn.com

Joseph D. Edmondson, Jr.
Foley & Lardner LLP
3000 K Street, NW, Suite 600
Washington, D.C. 20007
jedmondson@foley.com

J. Jonathan Schraub
Sands Anderson PC
1497 Chain Bridge Road, Suite 202
McLean, VA 22101
JJSchraub@SandsAnderson.com

/s/ Prashant K. Khetan
Prashant K. Khetan

SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,
Department of Insurance, Securities
and Banking,

Petitioner,

v.

DC CHARTERED HEALTH PLAN, INC.,

Respondent.

Civil Action No.: 2012 CA 008227 2
Judge: Wright
Next Event: Hearing
July 31, 2013 at 11:30 a.m.

MOTION FOR ORDER APPROVING SETTLEMENT WITH CARDINAL BANK

D.C. Chartered Health Plan, Inc. (“Chartered”), acting through its Rehabilitator, respectfully moves the Court for an Order that authorizes the Rehabilitator to enter into the attached Settlement Agreement with Cardinal Bank.

The Special Deputy to the Rehabilitator submitted a prior version of this Settlement Agreement in connection with the Fifth Status Report, filed with this Court on July 9, 2013. As explained in the Fifth Status Report:

On April 26, 2013, Cardinal Bank claimed a default under, and accelerated the maturity of, the Line of Credit Promissory Note in the amount of \$12 million, issued by DCHSI in favor of Cardinal Bank (Note). Cardinal Bank has applied collateral pledged by Chartered supporting the Note to pay amounts owed by DCHSI under the Note. Cardinal Bank has returned \$1,657,000 in excess collateral to Chartered. The Rehabilitator and Cardinal Bank desire to resolve outstanding matters regarding the Note according to the terms of the Settlement Agreement and Mutual Release The Rehabilitator requests the Court's leave to enter into the Settlement Agreement.

Counsel for Chartered’s parent company, D.C. Healthcare Systems, Inc. (“DCHSI”), raised concerns regarding the then-proposed Settlement Agreement and Mutual Release. After

further discussion between counsel for the Rehabilitator and DCHSI, the Settlement Agreement was revised. DCHSI's counsel has approved the attached, revised Settlement Agreement.

WHEREFORE, the Rehabilitator respectfully moves the Court for an Order that authorizes the Rehabilitator to enter into the attached Settlement Agreement with Cardinal Bank.

July 29, 2013

Respectfully submitted,

TROUTMAN SANDERS, LLP

/s/ Prashant K. Khetan

Prashant K. Khetan

Bar Number 477636

401 9th Street, NW Suite 1000

Washington, D.C. 20004

(202) 274-2950

(202) 274-2994 (facsimile)

prashant.khetan@troutmansanders.com

/s/ David K. Herzog

David K. Herzog (admitted *pro hac vice*)

Faegre Baker Daniels LLP

300 N. Meridian Street, Suite 2700

Indianapolis, Indiana 46204

(317) 237-1240

David.Herzog@faegrebd.com

Attorneys for the Rehabilitator and the
Special Deputy to the Rehabilitator

SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,
Department of Insurance, Securities
and Banking,

Petitioner,

v.

DC CHARTERED HEALTH PLAN, INC.,

Respondent.

Civil Action No.: 2012 CA 008227 2

Judge: Wright

Next Event: Hearing

July 31, 2013 at 11:30 a.m.

ORDER APPROVING SETTLEMENT BETWEEN
D.C. CHARTERED HEALTH PLAN, INC. AND CARDINAL BANK

On July 29, 2013, D.C. Chartered Health Plan, Inc. (Chartered), acting through its Rehabilitator, filed a *Motion for Order Approving Settlement with Cardinal Bank* (Motion). The Motion asked the Court for an Order that authorizes the Rehabilitator to enter into a Settlement Agreement with Cardinal Bank

Upon consideration of the Motion and the entire record herein, it is the _____ day of _____ 2013:

1. ORDERED, That the Rehabilitator is authorized to enter into the Settlement Agreement with Cardinal Bank; and
2. This is entered as a final Order.

Dated: _____

Melvin R. Wright
Judge, D.C. Superior Court

Copies to:

Prashant K. Khetan
Troutman Sanders, LLP
401 9th Street, NW, Suite 1000
Washington, D.C. 20004
prashant.khetan@troutmansanders.com

David Herzog
Faegre Baker Daniels LLP
300 N. Meridian Street, Suite 2700
Indianapolis, IN 46204-1750
David.Herzog@FaegreBD.com

William P. White, Rehabilitator
c/o Stephanie Schmelz
DISB, Office of the General Counsel
810 First Street, NE Suite 701
Washington, D.C. 20002
Stephanie.Schmelz@dc.gov

Daniel Watkins
Special Deputy Rehabilitator
1050 K Street NW, Suite 400
Washington, D.C. 20001
danwatkins@sunflower.com

Charles T. Richardson
Faegre Baker Daniels LLP
1050 K Street NW, Suite 400
Washington, DC 20001
crichardson@faegredb.com

Stephane J. Latour
E. Louise R. Phillips
Assistant Attorney Generals
441 Fourth Street, NW, 630 South
Washington, D.C. 20001
Louise.Phillips@dc.gov
Stephane.Latour@dc.gov

David Killalea
Manatt, Phelps & Phillips, LLP
700 12th Street, NW Suite 1100
Washington, DC 20005-4075
dkillalea@manatt.com

Steven I. Glover
Gibson, Dunn & Crutcher
1050 Connecticut Avenue, NW
Washington, DC 20036
siglover@gibsondunn.com

Joseph D. Edmonson, Jr.
Foley & Lardner LLP
3000 K Street NW, Suite 600
Washington, DC 20007
jedmondson@foley.com

J. Jonathan Schraub
Sands Anderson PC
1497 Chain Bridge Road, Suite 202
McLean, VA 22101
JJSchraub@SandsAnderson.com

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (“Agreement”), is dated as of the ____ day of July, 2013 (the “Effective Date”), by and between Cardinal Bank (“Lender”), and William P. White, Commissioner of Insurance, Securities and Banking for the District of Columbia, in his official capacity as Rehabilitator (“Rehabilitator”) of D.C. Chartered Health Plan, Inc., a District of Columbia corporation (“Chartered”), and together with Lender, each a “Party” and collectively, the “Parties.”

RECITALS:

R-1. Lender and D.C. Healthcare Systems, Inc., a District of Columbia corporation (“Borrower”) are parties to a Loan Agreement dated October 10, 2008 (as amended, the “Loan Agreement”), pursuant to which Lender made a loan to Borrower (the “Loan”), which is evidenced by a Credit Line Promissory Note of even date therewith in the amount of Twelve Million and No/Dollars (\$12,000,000.00) issued by Borrower in favor of Lender (as amended, the “Note”).

R-2. In connection with the Loan, Jeffrey E. Thompson (“Thompson”) and Chartered (sometimes hereinafter collectively referred to as the “Guarantors”) executed a Guaranty of Payment dated October 10, 2008, in favor of Lender, pursuant to which Guarantors guaranteed all payments owed by Borrower under the Note and the Loan (as amended, the “Guaranty”).

R-3. Chartered also entered into a Pledge, Assignment and Security Agreement dated October 10, 2008, with Lender (as amended, the “Pledge”), pursuant to which Chartered pledged all of its right, title and interest in an account held by Cardinal Trust and Investments (“CTI”) and then managed by Wilson/Bennett Capital Management, Inc. (“Wilson,” and now managed by CTI) as Account No. 1050002002 (the “Account”), and all contents and proceeds thereof, including all those securities in the Account beneficially owned by Chartered, to support Chartered’s obligations under the Guaranty Agreement. Chartered’s rights to the Account are governed by that certain Restricted (Blocked) Account Agreement by and among Lender, Chartered, CTI and Wilson dated October 10, 2008 (the “Account Agreement”). As of the date hereof, the balance in the Account is \$150,000.00, together with any and all interest which may have accrued thereon, if any (collectively, the “Collateral”).

R-4. The Loan was amended by that certain Modification Agreement dated April 13, 2012, by and among Lender, Borrower, CTI and Guarantors wherein, *inter alia*: (i) Lender agreed to release Chartered of its obligations under the Guaranty and (ii) Chartered reaffirmed its obligations under the Pledge.

R-5. On October 19, 2012, Rehabilitator petitioned the Superior Court of the District of Columbia (the “Court”) for an Emergency Order of Rehabilitation of Chartered. A Consent Emergency Order of Rehabilitation (the “Order”) was entered by the Court that same day, appointing the Rehabilitator to take control of, and to exercise full control over the assets of Chartered; and that the Order also granted the Rehabilitator full authority to administer

Chartered's business, including resolution and settlement of any and all claims by or against Chartered.

R-6. By letter dated April 26, 2013, Lender claimed a default under, and did accelerate the maturity date of, the Note due to Borrower's various defaults including: the entry of the Order; a material adverse change in Borrower's financial condition; that Borrower and Chartered failed to comply with certain reporting requirements of the Loan; and for Borrower's failure to pay sums due to Lender under the Loan when due.

R-7. Prior to the Effective Date, Lender remitted to Chartered \$1,657,000.15 from the Account which amount was in excess of the pledged assets needed to satisfy amounts owed by Borrower under the Note. \$150,000, plus interest thereon remains in the Account.

R-8. The Parties desire to settle any and all claims and other business which the Parties may have with each other related to the Loan and the Loan Agreement, Note, Guaranty, Pledge and Account Agreement (the "Loan Documents"), and any and all matters related to the transactions and events described above.

NOW, THEREFORE, in consideration of the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby covenant and agree as follows:

1. Recitals. The recitals are incorporated herein by this reference as if fully restated. The Parties acknowledge and agree that the recitals are correct and true in all material respects and form part of the consideration for this Agreement. All capitalized words in this Agreement shall have the meaning or definition ascribed to them.

2. Release of Collateral. Lender shall release the Collateral in the Account which totals \$150,000 (plus interest) to Chartered as directed by the Rehabilitator, on the first business day next following the date this Agreement is executed and delivered by the Parties to each other, following approval by the Court as described in paragraph 20., below, by wire transfer in accordance with the instructions contained in Exhibit A attached hereto. Lender represents and warrants that the aforesaid balance has not been reduced by the offset of Lender's legal fees incurred on or after May 15, 2013, the date the Collateral was actually received by Lender and applied to the Note.

3. Contribution to Rehabilitator. As and for a contribution to partially defray the Rehabilitator's costs and expenses in connection with events and activities in the recitals, and for the negotiation of this Agreement, Lender has agreed to contribute the sum of \$25,000.00, at the same time, and in the same wire transfer, as the payment of the Account balance as specified in Exhibit A hereto. Nothing in this paragraph nor any other section of this Agreement shall be deemed to be, nor asserted to be, nor shall be construed to be, an admission of liability on the part of Lender; that Lender continues to deny any liability to Chartered for any reason; and that the contribution described in this paragraph represents nothing more than Lender's business judgment consideration for the provisions contained in this Agreement and to avoid the cost and delay of any litigation.

4. Release of Lender. Upon the execution and delivery of this Agreement by both Parties, and the payment of the sums specified in paragraphs 2. and 3., above, the Rehabilitator, on behalf of itself, and on behalf of Chartered, and each of their (as relevant) directors, officers, employees, shareholders, agents, representatives, attorneys, trustees, substitute trustees, successors, predecessors, affiliates and assigns (each a “Chartered Releasing Party”), hereby fully releases and forever discharges Lender, its directors, officers, employees, shareholders, agents, representatives, attorneys, trustees, substitute trustees, successors, predecessors, affiliates and assigns (“Lender Released Parties”), from all actions, causes of action, claims, demands, defenses, and offsets of any nature whatsoever (in law or in equity, in tort, in contract, or otherwise), whether known or unknown, whether present or contingent, and including any right to consequential or punitive damages, that the Chartered Releasing Party now has, or ever had, against the Lender Released Parties, and any one or more of them had, from the beginning of time through and including the execution of this Agreement, in connection with, relating to, or arising out of the Loan, the Loan Documents (including the Pledge) or the Account (collectively, the “Subject Matter”). This release is intended by the Chartered Releasing Party to: (i) waive any requirement of any statute or rule of law providing to the effect that a release shall not be construed to extend to unknown claims, it being the intention of the parties hereto that the Chartered Releasing Party releases the Lender Released Parties from any and all claims, known and unknown, that exist as of the execution of this Agreement, and (ii) to be supported by separate consideration in the form of the release by Lender to Chartered in the next succeeding paragraph.

5. Release of Chartered. Upon the execution and delivery of this Agreement by both Parties, and the payment of the sums specified in paragraphs 2. and 3., above, the Lender, on behalf of itself, and its directors, officers, employees, shareholders, agents, representatives, attorneys, trustees, substitute trustees, successors, predecessors, affiliates and assigns (each a “Lender Releasing Party”), hereby fully releases and forever discharges the Rehabilitator and his agents, representatives, attorneys, successors, and assigns and Chartered (collectively, the “Chartered Released Parties”), from all actions, causes of action, claims, demands, defenses, and offsets of any nature whatsoever (in law or in equity, in tort, in contract, or otherwise), whether known or unknown, whether present or contingent, and including any right to consequential or punitive damages, that the Lender Releasing Parties now have, or ever had, against the Chartered Released Parties, and any one or more of them had, from the beginning of time through and including the execution of this Agreement, in connection with, relating to, or arising out of the Subject Matter. This release is intended by the Lender Releasing Parties to: (i) waive any requirement of any statute or rule of law providing to the effect that a release shall not be construed to extend to unknown claims, it being the intention of the parties hereto that the Lender Releasing Parties releases the Chartered Released Parties from any and all claims, known and unknown, that exist as of the execution of this Agreement, and (ii) to be supported by separate consideration in the form of the release by Chartered and the Rehabilitator to Lender in the preceding paragraph. Nothing in this paragraph shall be deemed to release Borrower and or Thompson from any liability, cost or expense under the Loan Documents that remain due, owing and unpaid to Lender.

6. Representations and Warranties. The Rehabilitator, on behalf of itself and Chartered, hereby represents and warrants to the Lender that the Rehabilitator: (a) has full power

and authority to enter into this Agreement and to perform its and Chartered's obligations hereunder, (b) the execution and delivery of this Agreement and the performance of its and Chartered's obligations hereunder, have been authorized and approved in any way necessary or required for Lender to obtain the maximum benefit possible and (c) this Agreement is the legal, valid and binding agreement of the Rehabilitator and Chartered and enforceable against Chartered in accordance with its terms. In addition, Chartered hereby represents and warrants to Lender that none of the Collateral constitutes property of Borrower or any of its subsidiaries, affiliates, or other insiders of the Borrower (excluding Chartered), or is otherwise part of the bankruptcy estate of Borrower or any of its subsidiaries, affiliates or insiders (excluding Chartered). In the event Lender is required in any bankruptcy or insolvency proceeding to return to the Borrower or a trustee for Borrower any portion of the Collateral applied in payment of the Loan, Chartered will promptly pay to Lender the full amount that is so returned, together with any and all of Lender's legal fees and costs actually and reasonably incurred.

7. Advice of Counsel. In making this Agreement, the Parties understand and agree that they have had the benefit of the advice of counsel of their own choosing, and have relied wholly upon their own judgment, belief, and knowledge of the nature, extent, effect and duration of the damages they have allegedly suffered. The Parties make this Agreement without reliance upon any statements, representations, or lack of statements or representations by the other Parties or their representatives. This Agreement has been reviewed by the Parties with their respective legal counsel, and has been fully read and is understood and voluntarily accepted. Each of the Parties hereto has reviewed this Agreement and, accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in this Agreement against a party that has drafted it is of no application and is expressly waived.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflicts of laws thereof. Any lawsuit arising out of or otherwise relating to the subject matter of this Agreement shall be brought in state or federal court in the Commonwealth of Virginia, and all Parties consent to the jurisdiction and venue of such state courts.

9. Severability. In case one or more provisions contained in this Agreement shall be invalid, illegal, or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions contained herein shall remain effective and binding and shall not be affected or impaired thereby.

10. Headings; Counterparts. The section headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. This Agreement may be executed in counterparts and shall become effective upon its execution and delivery by all Parties. This Agreement, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or scanned electronically, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party or to any such agreement or instrument, the other Parties shall re-execute original forms thereof and deliver them to such

requesting Party. No Party to this Agreement shall raise the use of a facsimile machine or scanner to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of a facsimile machine or scanner as a defense to the formation or enforceability of the Agreement and each such Party forever waives any such defense.

11. Further Assurances. Each Party hereby agrees to execute and deliver all such instruments and take all such action as the other Parties may from time to time reasonably request in order to fully effectuate the purposes of this Agreement.

12. Jury Trial Waiver. UNLESS EXPRESSLY PROHIBITED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS OR CLAIMS DIRECTLY OR INDIRECTLY ARISING OUT OF OR OTHERWISE RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

13. Borrower and Thompson Not Third Party Beneficiaries. Nothing in this Agreement shall be deemed to release or discharge the Borrower or Thompson from any amount owed by either the Borrower or Thompson to Lender or Chartered. Neither Borrower nor Thompson shall be deemed to be, and neither are intended by the Parties to be, third party beneficiaries of this Agreement. This Agreement is solely for the benefit of the Parties executing and delivering this Agreement and for no other person or entity.

14. Other Matters and Loans by Lender to Borrower and/or Thompson Not Affected. Nothing in this Agreement shall release, alter, affect or amend any other loans, agreements, or other outstanding matters by and between Borrower and/or Thompson, jointly and/or severally, as the case may be, and Lender including, but not limited to: (i) a Seven Million Five Hundred Ninety Two Thousand and 00/100 Dollar (\$7,592,000.00) loan from Lender to Borrower guaranteed by Thompson dated July 27, 2007; (ii) a loan made by Lender to other entities and guaranteed by Thompson; (iii) under the extant Guaranty (as to Thompson), and (iv) a claim for reimbursement from Borrower and Guarantor for Lender's legal fees incurred on and after May 15, 2013, and which were not reimbursed from the Account.

15. Expenses and Attorneys' Fees. The Parties agree they each shall bear their own attorneys' fees, expenses, and costs incurred on and after May 14, 2013, (exclusive of the contribution by Lender referenced in paragraph 3., above, up to the Effective Date of this Agreement); provided, however, that in the event any Party to this Agreement, brings a lawsuit to enforce the terms of this Agreement, the prevailing party shall be entitled to an award of its actual and reasonable attorneys' fees and costs incurred in connection with that litigation (including but not limited to the attorneys' fees and expenses such Party incurs in connection with enforcing any judgment, if any), from the non-prevailing party.

16. Notices. All notices between the Parties shall be in writing and shall be served either personally, by certified mail, by overnight courier service or by telecopy. If served personally, notice shall be deemed given or made at the time of such service. If served by certified mail, notice shall be presumed given and made five (5) business days after the deposit

thereof in the United States mail, postage prepaid, addressed to the party to whom said notice is to be given or made. If served by an overnight courier service promising delivery not later than 10:00 a.m., on the first business day after receipt by such service, notice shall be presumed given and made one business day after the deposit thereof with such courier service, addressed to the party to whom such notice is to be given or made, if such deposit is timely and appropriate in accordance with the requirements of such courier service. If by facsimile, when transmitted by telecopy provided that confirmation of the receipt of same is noted upon transmission of same by the sender's telecopy machine, and a counterpart of such notice is also delivered pursuant to one of the other three manners specified in this Section.

All notices to Lender shall be sent to:

Cardinal Bank
1776 K Street, NW
Washington, D.C. 20006 Attn: Kathleen Carr, President

With a required copy to:

Friedlander Misler, PLLC 5335 Wisconsin Avenue, NW Suite 600
Washington, D.C. 20015
Attn: Leonard A. Sloan, Esq. Facsimile: (202) 857-8343
Email: lsloan@dclawfirm.com

All notices to Chartered shall be sent to:

All notices to Chartered shall be sent to:

Daniel L. Watkins, Esq.
Special Deputy to the Rehabilitator
D.C. Chartered Health Plan
1025 15th St. NW
Washington, DC 20005

With a required copy to:

Faegre Baker Daniels LLP
600 E. 96th Street
Suite 600
Indianapolis, Indiana 46240-3789
Attn: John F.W. Fleming, Esq.
Facsimile: (317) 569-4800
Email: john.fleming@faegrebd.com

17. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors or assigns only.

18. Execution. This Agreement shall become binding only upon execution by all Parties hereto and delivery of such signed documents to the other Parties.

19. Entire Agreement; Amendments and Waivers. This Agreement contains the entire understanding of the Parties with regard to the subject matter contained herein and supersedes all prior negotiations, understandings and agreements with regard thereto. The Parties, by mutual agreement in writing, may amend, modify and supplement this Agreement. The failure of either Party to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereto or the right of such Party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

20. Effectuation of Agreement. This Agreement shall not be effective unless and until it shall have been approved by the Superior Court for the District of Columbia in District of Columbia v. D.C. Chartered Health Plan, Inc., Civil Action No. 2012 CA 0082272 (the "Court"). The Rehabilitator will promptly and diligently seek such approval and promptly apprise Lender of the status of same, all without cost to Lender.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the Parties as a sealed instrument as of the date first above written.

[this space left blank intentionally; signatures begin on next page]

Signature Page to Agreement between Cardinal Bank and William P. White, Commissioner of Insurance, Securities and Banking for the District of Columbia, in his official capacity as Rehabilitator of D.C. Chartered Health Plan, Inc.

LENDER:

CARDINAL BANK

By: _____(seal)

Name: Kathryn R. Speakman

Title: Vice-President

CHARTERED:

D.C. CHARTERED HEALTH PLAN, INC.

By: Daniel L. Watkins
Special Deputy to the Rehabilitator
D.C. Chartered Health Plan, Inc.

By: _____(seal)

Name: _____

Title: _____

EXHIBIT A

WIRING INSTRUCTIONS