

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION**

**JAMES RIVER MANAGEMENT COMPANY, INC., et al.,**

**Plaintiffs**

v.

**Civil Action No. 3:09CV387**

**MICHAEL P. KEHOE, et al.,**

**Defendants.**

**MEMORANDUM OF UNDERSTANDING RE  
SETTLEMENT AGREEMENT**

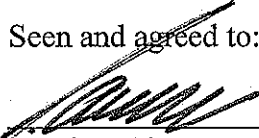
The parties agree that this case is settled on the following terms and conditions and that this Agreement is enforceable as a contract. That the parties will execute all further documentation necessary to effectuate the terms of this Agreement that shall include, among other provisions, the following:

1. That the Defendants shall retain the sum that has been previously paid for advancement of legal fees and expenses (\$377,000), and the Plaintiff shall not seek to recoup same;
2. That no more money shall be paid by either party to the other;
3. That the Defendants shall not hire any James River employee who shall be employed by James River during the next nine (9) months from the date of this Agreement, except that they may hire six (6) employees with no more than two (2) from each division and an additional two (2) "non-exempt" employees on or before close of business on February 26, 2010;
4. That the Defendant, Kinsale Capital Group, Inc. and its subsidiaries, agrees not to


bind any insurance policy that is a James River renewal policy, or a policy cancelled at the policyholder's request, for a period of six (6) months from the date of this Agreement; or, if such occurs, to award James River a five percent (5%) commission on any said renewal;

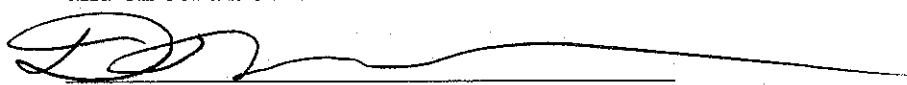
5. That the parties will agree to complete releases of all parties and related entities and individuals, and a limited release of Fortress Investment Group, LLC, for any cause of action arising out of or related to the allegations in this case;
6. The final Agreement shall not include a "confidentiality proviso"; and
7. Upon execution of final settlement documentation, the parties authorize their respective counsel to endorse a Stipulation of Dismissal of the instant case, with prejudice, that is to be forwarded on to the Court for entry, forthwith.

Seen and agreed to:

  
\_\_\_\_\_  
J. Adam Abram  
CEO of James River Group, Inc.

  
\_\_\_\_\_  
Steven K. Davidson, Esquire  
Counsel for Plaintiff James River Management Company, Inc.  
and related entities

  
\_\_\_\_\_  
Michael P. Kehoe as CEO of Kinsale Capital Group, Inc.  
and on behalf of each of the individual and Kinsale Defendants

  
\_\_\_\_\_  
David A. Kushner  
Counsel for Defendant Kinsale Management, Inc.  
and related parties

DATED: February 18, 2010