

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made and is effective this 27th day of March, 2009 (the Effective Date), by and between Century Bank, Parma, Ohio (Association) OTS Docket No. 01420, a federal mutual savings bank, through the Association's Board of Directors (Board) and the Office of Thrift Supervision (OTS), a bureau of the United States Department of the Treasury, acting through its Central Regional Director or his designee (Regional Director).

WHEREAS, the OTS is the primary Federal regulator of the Association pursuant to the Home Owners' Loan Act (HOLA), 12 U.S.C. §§ 1461 *et seq.*, and is the Association's appropriate Federal banking agency for purposes of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. §§ 1811 *et seq.*; and

WHEREAS, based upon the findings set out in the OTS Report of Examination dated September 29, 2008 of the Association (ROE), the OTS is of the opinion that the Association has violated regulations to which the Association is subject and engaged in acts and practices that are unsafe and unsound; and

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of an administrative proceedings against the Association pursuant to 12 U.S.C. §§ 1464(d) and 1818(b); and

WHEREAS, OTS is of the view that it is appropriate to take measures intended to ensure that the Association will comply with applicable laws and regulations and engage in safe and sound practices; and

WHEREAS, the Association, acting through its Board, without admitting or denying that such grounds exist except those as to jurisdiction, which are admitted, wishes to cooperate with the OTS and to evidence the intent to: (i) comply with all applicable laws and regulations; and (ii) engage in safe and sound practices; and

WHEREAS, on March 23, 2009, the Association's Board, at a duly constituted meeting adopted a resolution that authorizes the Association to enter into this Agreement and directs compliance by the Association and its directors, officers, employees, and other institution-affiliated parties with each and every provision of this Agreement.

NOW THEREFORE, in consideration of the above premises and the mutual undertakings set forth herein, the parties hereto agree as follows:

Asset Quality

1. a. Effective immediately, the Association shall not originate or acquire the following types of loans:
 - i. Residential construction loans,
 - ii. Land loans, and
 - iii. Nonresidential loans(collectively referred to herein as Nonhomogeneous Loans) until such time as the Association has complied with all requirements of subparagraph 1 c. and paragraph 3 below as determined by the Regional Director in writing pursuant to paragraph 3(a) below.
 - b. The Association may fund Nonhomogeneous Loans-in-process and legally binding loan commitments outstanding as of the Effective Date of this Agreement and shall submit a list of such obligations and commitments to the Regional Director within thirty (30) days of the Effective Date of this Agreement.
 - c. Within sixty (60) days, the Board shall develop, approve, and implement concentration limits for Nonhomogeneous Loans as a percentage of core capital plus the Allowance for Loan and Lease Losses (ALLL) that address:
 - i. Compliance with OTS regulations, OTS Examination Handbook Section 201, and OTS CEO Letter 252 dated December 14, 2006, in connection with concentrations of credit;
 - ii. The comments and recommendations in the ROE; and
 - iii. Adoption by the Board of an action plan to reduce the risk of any concentrations deemed imprudent for the Association's current earnings and capital profile.
2. a. Within forty-five (45) days, the Board shall review and approve revisions to the Association's policies and procedures relating to internal asset review (IAR) and reserve requirements to provide for prompt identification of impairment and classifications in accordance with OTS regulations and guidance as well as generally accepted accounting principles, particularly Financial Accounting Standard (FAS) 5 and FAS 114. The Association's policies and procedures must address the process used to review loan portfolios for impairment and the documentation required to support the impairment analysis. The Board's review and approval of such revisions shall be documented in the minutes. The revisions shall be acceptable to the Regional Director as determined at subsequent examinations and/or visitations of the Association.
 - b. As of the Effective Date, the Board shall: (a) review the Association's capital levels at each monthly Board meeting; and (b) ensure the Association continually assesses the sufficiency of the Association's capital levels relative to its risk

profile, including but not limited to, such risks as: classified asset levels; ALLL; core earnings; and dollar volume and portfolio percentage of loans described in the ROE. The trends in such risks shall also be reviewed and monitored by the Board. The Board's review of the Association's capital level relative to the Association's risk profile shall be fully detailed in the Board meeting minutes.

3.
 - a. Within thirty (30) days, the Board shall approve a schedule of quarterly reduction targets for reducing the level of adversely classified assets to fifty (50) percent of the Association's core capital plus ALLL by March 31, 2010. Within five (5) days of Board approval, the Board shall send a copy of the quarterly reduction targets to the Regional Director for review and approval. The Board shall revise the reduction targets within ten (10) days of receiving the Regional Director's written comments, if any, and implement the quarterly reduction targets immediately thereafter. The Board shall send a copy of the revised quarterly reduction targets approved by the Board to the Regional Director within five (5) days of Board approval.
 - b. On a quarterly basis beginning with the quarter ending March 31, 2009, the Board shall compare scheduled reduction targets to actual results. Additionally, as part of the variance analysis required pursuant to this subparagraph, the Board shall determine any material deviations between the scheduled reduction targets and actual results. The Board shall prepare a written report describing any material deviations between the projections and actual results (Quarterly Classified Assets Variance Report).
 - c. Within thirty (30) days of the close of each quarter, the Board shall provide the Regional Director with a copy of the Quarterly Classified Assets Variance Report required by this paragraph.

Business Plan

4.
 - a. Within ninety (90) days, the Board shall revise the Association's current business and strategic plan (Business Plan), to address and comply with the requirements contained within this Agreement and the comments contained within the ROE, as well as ensuring, and at a minimum, inclusion of the following:
 - i. Defined strategies for capital preservation and enhancement commensurate with the risk profile of the Association;
 - ii. Defined limits on types of lending expressed as a percentage of core capital plus ALLL;
 - iii. Detailed strategies designed to improve and sustain earnings;
 - iv. Detailed strategies to stress-test and adjust earnings forecasts based on continuing operating results, economic conditions and credit quality of the loan portfolio;

- v. Continuous coverage of a three year period including detailed, quarterly pro forma balance sheets and income statements for a three year period beginning with July 1, 2009;
 - vi. All relevant assumptions and projections as well as documentation supporting such assumptions and projections.
- b. The Board shall forward a copy of the revised Business Plan to the Regional Director for review and comment or non-objection within five (5) days of Board approval. The Board shall revise and implement the Business Plan within ten (10) days of receiving the Regional Director's comments or implement the Business Plan within ten (10) days of receiving the Regional Director's non-objection. The Board shall immediately send a copy of the Business Plan implemented by the Board to the Regional Director.
- c. On a quarterly, basis, beginning with the first quarter following the receipt of the Regional Director's comments on or non-objection to the Business Plan, the Board shall compare projected operating results contained within the Business Plan to actual results. Additionally, as part of the variance analysis required pursuant to this subparagraph, the Board shall determine any material deviations between the projections contained in the Business Plan and actual results. The Board shall prepare a written report describing any material deviations between the projections contained in the Business Plan and actual results and a specific description of the corrective actions or measures that have been implemented, proposed or are under consideration to correct any material deviation. A deviation shall be considered material under this Paragraph of the Agreement when the Association: (i) engages in any activity that is not contained in or inconsistent with the Business Plan; or (ii) exceeds the level of any activity contemplated in the Business Plan or fails to meet target amounts established in the Business Plan by more than 10%, unless the activity involves assets risk weighted 50% or less, in which case a variance of more than 25% shall be deemed to be a material deviation.
- d. The Board shall review the variance analysis reports each quarter and conduct a thorough and diligent review and assessment of management's implementation of and the Association's compliance with the approved Business Plan. The Board's review of the variance report and assessment of management and the Association's compliance shall be fully documented in the appropriate Board meeting minutes. Within thirty (30) days of the close of each quarter, the Board shall provide the Regional Director with a copy of the variance analysis report required by this paragraph.

Management

5. Within thirty (30) days, the Board shall submit to the Regional Director for written non-objection the name, qualifications, and terms of engagement of at

least one independent outside management consultant (Consultant) to conduct a management study as outlined in paragraph 6 below.

6. Within sixty (60) days of the receipt of the written non-objection of the Regional Director to the Consultant, the Consultant shall complete a study of the Association's current management, organizational structure, and staffing in light of the revised Business Plan (as required by paragraph 4 above) and current financial statements. The findings and recommendations of the Consultant shall be set forth in a written report (Management Study) that is sent to the Board upon completion. At a minimum, the Management Study shall contain:
 - a. The identification of present and future management and staffing requirements for each area of the Association, with particular emphasis on Senior Executive Officers;
 - b. Detailed written job descriptions for all Senior Executive Officers, as that term is defined in 12 CFR § 563.555;
 - c. An evaluation of each officer's knowledge, skills, abilities and a determination of whether each of these individuals possesses the experience and other qualifications required to perform present and anticipated duties of the director's and officer's position;
 - d. Recommendations as to whether management or staffing changes should be made, including the need for additions to, or changes to, the current management team;
 - e. Objectives by which management's effectiveness will be measured;
 - f. An evaluation of current lines of authority, reporting responsibilities and delegation of duties for all officers, including identification of any overlapping duties or responsibilities;
 - g. An assessment of whether Board members are receiving adequate information on the operation of the Association to enable them to fulfill their fiduciary duties and other responsibilities under law and regulations; and
 - h. Recommendations to correct or eliminate any other deficiencies in the supervision or organizational structure of the Association.
7. Within three (3) days of receipt of the written results of the Management Study by the Association, two (2) copies of the Management Study shall be forwarded to the Regional Director for review and comment. The Regional Director will accept the Management Study or identify any deficiencies in the Management Study within fourteen (14) days of its receipt in written correspondence to the Board.
8. If the Regional Director identifies deficiencies in the Management Study in a letter to the Board, the Board shall resolve the deficiencies in the Management Study in consultation with the Consultant in the manner and time frame provided by the Regional Director in his letter to the Board.

9. Within thirty (30) days of receipt of the Regional Director's written approval of the Management Study, the Board shall prepare a Management Plan to address any identified management weaknesses noted in the Management Study and implement recommendations contained in the Management Study. The Board's Management Plan shall be submitted to the Regional Director for written non-objection within thirty-five (35) days of receipt of the Regional Director's approval of the Management Study.
10. Within five (5) days of receipt of the Regional Director's written non-objection to the Management Plan, the Board shall adopt, implement and thereafter adhere to the Management Plan.

Remediation of ROE Comments

11. Within sixty (60) days, the Board shall develop, adopt, and implement specific actions to ensure that the Association addresses all Matters Requiring Board Attention and corrective actions noted in the ROE. The minutes of Board meetings shall document each such action adopted and the measures implemented, if any, to prevent recurrence.

Restriction on Asset Growth

12. Without the prior written approval of the Regional Director, and consistent with the requirements and provisions of OTS Regulatory Bulletin 3b, the Association may not increase its total assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during such quarter until such time as new growth projections are approved in the Business Plan in compliance with paragraph 4 above.

Notice of Change of Director or Senior Executive Officer

13. The Association shall comply with the prior notification requirements for changes in directors and Senior Executive Officers set forth in 12 CFR Part 563, Subpart H and 12 USC § 1831i. Specifically, the Association must notify the OTS at least thirty (30) days before adding or replacing any member of its Board, employing any person as a senior executive officer, or changing the responsibilities of any senior executive officer.

Golden Parachute Restrictions

14. The Association shall not make any golden parachute payment, as that term is defined in 12 CFR § 359.1(f), or any prohibited indemnification payments, as that term is defined in 12 C.F.R. § 359.1(l), unless, with respect to each such payment, the Association has complied with the requirements of 12 CFR Part 359 and, as to indemnification payments, 12 CFR §545.121.

Notice of Contractual Arrangements Involving Compensation

15. The Association shall not enter into, renew, extend or revise any contractual arrangement related to compensation or benefits for any director or Senior Executive Officer of the Association unless the Association first (a) provides a minimum of thirty (30) days advance written notice of the proposed transaction to the Regional Director, and (b) receives a written notice of non-objection from the OTS pursuant to OTS Examination Handbook § 310. The Association's notice to the Regional Director shall include a copy of the proposed employment contract or compensation arrangement, or a detailed, written description of the compensation arrangement to be offered to such officer or director, including all benefits and perquisites. The Board shall ensure that any contract, agreement, or arrangement submitted to OTS fully complies with the requirements of 12 CFR Part 359, 12 CFR §§ 563.39 and 563.161(b), and 12 CFR Part 570-Appendix A.

Contracts Outside of the Normal Course of Business.

16. The Association and its subsidiaries shall not enter into any third-party contracts outside of the Association's normal course of business without the prior written non-objection of the OTS. To seek such non-objection the Association shall provide at least thirty (30) days advance written notice to the OTS of any such proposed contract. At a minimum, such notice shall set forth the Association's reasons for seeking the contract and shall transmit a copy of the proposed contract pursuant to OTS Thrift Bulletin 82a and OTS Examination Handbook § 310.

Compliance with Agreement

17.
 - a. All policies, procedures, corrective actions, plans, programs, agreements, reviews and systems required by this Agreement (collectively referred to as Plans and Policies) shall conform to all applicable statutes, regulations, and OTS policy and guidance.
 - b. The Board and officers of the Association shall take immediate action to cause the Association to comply with the terms of this Agreement.
 - c. This Agreement requires the Association to receive approval or a notice of non-objection for certain Board actions. The Board affirms that such regulatory oversight does not derogate or supplant each individual Board member's continuing fiduciary duty.
 - d. By the last day of the succeeding month, beginning with the month ending March 31, 2009, the Board shall adopt and submit to the OTS copies of a Board resolution (Compliance Resolution) formally resolving that, following a diligent inquiry of relevant information (including a report from the Association's management regarding its compliance with each provision of this Agreement), to

the best of its knowledge and belief, during the immediately preceding month, the Association has complied with each provision of this Agreement currently in effect, except as otherwise stated. The Compliance Resolution shall: (i) detail any instance of non-compliance with the Agreement; and (ii) identify all notices of exemption or non-objection issued by OTS that were outstanding as of the date of its adoption. In the event that one or more directors do not agree with the representations set forth in a Compliance Resolution, such a disagreement shall be noted in the Compliance Resolution.

Definitions, Successor Statutes, Regulations, Guidance, Amendments

18.
 - a. All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by the provisions of this Agreement shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, the HOLA, the FDIA, or published OTS guidance. Any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Publications shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.
 - b. Reference in this Agreement to provisions of federal statutes, regulations, and OTS Publications shall be deemed to include references to all amendments to such provisions as have been made as of the Effective Date and references to successor provisions as they become applicable.
 - c. The laws of the United States of America shall govern the construction and validity of this Agreement.

Submissions and Notices

19.
 - a. All submissions, including progress reports, to OTS that are required by or contemplated by the Agreement shall be submitted within the specified timeframes.
 - b. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Agreement shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:
 - i. **To OTS:**
Regional Director
Office of Thrift Supervision
One South Wacker Drive, Suite 2000
Chicago, IL 60606
Fax: (312) 917-5002

- ii. **To the Association:**
Chairman of the Board
Century Bank
1640 Snow Road
Parma, OH 44134
Fax: (216) 351-2285

Effect of Headings

20. The Section and paragraph headings herein are for convenience only and shall not affect the construction hereof.

Separability Clause

21. In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director, in his sole discretion, determines otherwise.

No Violations of Law, Rule, Regulation or Policy Statement Authorized; OTS Not Restricted

22. Nothing in this Agreement shall be construed as: (i) allowing the Association, its Board, officers, or employees to violate any law, rule, regulation, or policy statement to which it is subject, or (ii) inhibiting, restricting, estopping, or otherwise preventing the OTS from taking any action(s), including without limitation, any type of supervisory, enforcement or resolution action that the OTS determines to be appropriate in fulfilling the responsibilities placed upon it by law.

Time Limits

23. Time limits for compliance with the terms of this Agreement run from the Effective Date and shall be based on calendar days, unless otherwise noted. The Regional Director may, in his sole discretion, extend any of such time limitations upon written request from the Association. Any OTS extension shall be in writing.

Effective Date, Duration, Termination or Suspension of Agreement

24. a. This Agreement shall become effective upon its execution by the OTS through its authorized representative whose signature appears below. The Effective Date is defined on page one above.

b. The Agreement shall remain in effect until terminated, modified, or suspended, in writing, by the OTS, acting through its Director, Regional Director, or other authorized representative.

Enforceability of Agreement and Integration

25. a. The Association represents and warrants that this Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Association.
- b. The Association acknowledges that this Agreement is a “written agreement” entered into with the OTS within the meaning and for the purposes of Section 8 of the FDIA, 12 USC § 1818.
- c. This Agreement represents the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date of this Agreement, with respect to the subject matter.

Counterparts

26. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

Other Governmental Actions Not Affected

27. The Association acknowledges and agrees that its execution of the Agreement is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

Miscellaneous

28. All references to OTS in this Agreement shall also mean any of the OTS’s predecessors, successors, and assigns.

Signature of Directors

29. Each Director signing the Agreement attests, by such act, that she or he voted in favor of a Board Resolution authorizing the issuance and execution of this Agreement by the Association.

IN WITNESS WHEREOF, the OTS, acting by and through the Regional Director, and the Board of the Association hereby executes this Agreement as of the Effective Date.

CENTURY BANK
Parma, Ohio

OFFICE OF THRIFT SUPERVISION

By: _____/s/
Volodymyr O. Bazarko, Chairman

By: _____/s/
Thomas A. Barnes
Regional Director, Central Region

By: _____/s/
Jeffrey J. Calabrese, Director

Date: See Effective Date on page 1

By: _____/s/
Walter Koshkalda, Director

By: _____/s/
Austin J. Mulhern, Director

By: _____/s/
Ronald P. Pribish, Director

By: _____/s/
John M. Surso, MD, Director

By: _____/s/
Rosemary Vidmar, Director