

**SUPERVISORY AGREEMENT**

This Supervisory Agreement (Agreement) is made and is effective this 23rd day of July, 2008 (the Effective Date), by and between Indian Village Bancorp, Inc., Gnadenhutzen, Ohio (Indian Village or the Bancorp) OTS Docket No. H3432, a registered savings and loan holding company, 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 Indian Village pursuant to the Home Owners' Loan Act (HOLA), 12 U.S.C. §§ 1467a *et seq.*, and is the Bancorp's appropriate Federal banking agency for purposes of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. §§ 1811 *et seq.*;<sup>1</sup>

**WHEREAS**, based upon the findings contained within the Bancorp's April 1, 2008 Holding Company Report of Examination (ROE), the OTS is of the opinion that the Bancorp has engaged in acts and practices that are considered to be unsafe and unsound;

**WHEREAS**, the OTS is of the opinion that grounds exist for the initiation of an administrative proceeding against the Bancorp pursuant to 12 U.S.C. §§ 1467a(g) and 1818(b);

**WHEREAS**, OTS is of the view that it is appropriate to take measures intended to ensure that the Bancorp will engage in safe and sound practices;

**WHEREAS**, Indian Village wishes to cooperate with the OTS and to evidence its intent to engage in safe and sound practices; and

**WHEREAS**, the Bancorp, acting through its Board of Directors (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.

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

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<sup>1</sup> All references to the United States Code (U.S.C.) and the Code of Federal Regulations (C.F.R.) are as amended, unless otherwise indicated.

**Operations.**

1. As of the Effective Date of this Agreement, the Bancorp shall not incur nor increase its debt position without prior notice and approval by the Regional Director.
2. As of the Effective Date of this Agreement, the Bancorp shall not repurchase any Bancorp Stock, without the prior written approval of the Regional Director.
3. The Bancorp shall not pay any dividends, without the prior written approval of the Regional Director.

**Change in Board or Management.**

4. The Bancorp must notify the Regional Director of the proposed addition of any individual to its board of directors or the employment of any individual as a senior executive officer or changing of responsibilities of any senior executive officer at least 30 days before such addition or employment or change becomes effective, as required by 12 C.F.R. § 563.560(2) and 12 U.S.C. § 1831i.

**Golden Parachute Payment.**

5. The Bancorp is restricted from making any "golden parachute payment" (including severance payments and agreements relating thereto), within the meaning and subject to the restrictions of 12 U.S.C. § 1828(k) and 12 C.F.R. Part 359, except as may be permitted under the above-mentioned statute and regulation.

**Definitions.**

6. 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.

**Successor Statutes, Regulations, Guidance, Amendments.**

7. 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.

**Notices.**

8. (a) Except as otherwise provided herein, any request, demand, authorization, directions, notice, consent, waiver, or other document provided or permitted by this Agreement to be made upon, given or furnished to, delivered to, or filed with:

- i) The OTS, by Indian Village, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Regional Director, Office of Thrift Supervision, Department of the Treasury, One South Wacker Drive, Suite 2000, Chicago, Illinois 60606 or telecopied to (312) 917-5002, and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address; and
- ii) Indian Village, by the OTS, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid, or sent via overnight delivery service or physically delivered in each case addressed to the Board of Directors of Indian Village Bancorp Inc., 100 South Walnut Street, Gnadenhutten, OH 44629 or telecopied to (740) 254-9555, and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.

(b) Notices hereunder shall be effective upon receipt, if by mail, overnight delivery service or telecopy, and upon delivery, if by physical delivery. If there is a dispute about the date on which a written notice has been received by a party to this Agreement, then, in the event such notice was sent by the United States mail, there shall be a presumption that the notice was received two business days after the date of the postmark on the envelope in which the notice was enclosed.

**Effect of Headings.**

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

**Separability Clause.**

10. 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.**

11. Nothing in this Agreement shall be construed as: (i) allowing Indian Village to violate any law, rule, regulation, or policy statement to which it is subject, or (ii) restricting or estopping 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.**

12. Time limits for compliance with the terms of this Agreement run from the Effective Date, unless otherwise noted. The Regional Director may, in his sole discretion, extend any of such time limitations.

**Duration, Termination or Suspension of Agreement.**

13. (a) This Agreement shall become effective upon its execution by the OTS through its authorized representative whose signature appears below. 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; and

(b) The Regional Director, in his sole discretion, may, by written notice, suspend any or all of the provisions of this Agreement.

**Successors in Interest/Benefit.**

14. The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Agreement, expressed or implied, shall give to any person or entity, other than the parties hereto and the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

**Integration Clause.**

15. 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.

**Enforceability of Agreement.**

16. The Bancorp 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 Indian Village. The Bancorp acknowledges that this

Agreement is a “written agreement” entered into with the OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. § 1818.

**Counterparts**

17. 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.

**Effective Date.**

18. This Agreement is and will become effective on the Effective Date as defined herein.

**Signature of Directors.**

19. Each Director signing the Agreement attests, by such act, that she or he voted in favor of a Board Resolution authorizing the execution of this Agreement by the Bancorp. A copy of the Resolution of Indian Village’s Board of Directors authorizing the execution of the Agreement shall be delivered to the OTS along with the executed original of the Agreement.

**[Remainder of this page intentionally left blank]**

**OFFICE OF THRIFT SUPERVISION**

By: \_\_\_\_\_ /S/  
Thomas A. Barnes,  
Regional Director, Central Region

**INDIAN VILLAGE BANCORP, INC.**

By: \_\_\_\_\_ /S/  
~~Cindy A. Knisely~~, Cindy A. Knisely  
Chairman of the Board

By: \_\_\_\_\_ /S/  
Joanne Limbach,  
Director

By: \_\_\_\_\_ /S/  
Marty R. Lindon,  
Director

By: \_\_\_\_\_ /S/  
Rebecca S. Mastin,  
Director

By: \_\_\_\_\_ /S/  
John A. Beitzel,  
Director

By: \_\_\_\_\_ /S/  
Vernon E. Mishler,  
Director

By: \_\_\_\_\_ /S/  
Michael A. Cochran,  
Director