

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made this June 5, 2009 (Effective Date), by and among Liberty Savings Bank, F.S.B., Pottsville, Pennsylvania, OTS Docket No. 03168 (Association), Liberty Centre Bancorp, Inc., Pottsville, Pennsylvania , OTS Docket No. H3415 (Holding Company), and the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Northeast Region (Regional Director);

WHEREAS, OTS, based on the exercise of its regulatory responsibilities, has determined that the Association has been unable to: (i) generate positive earnings over an extended time period, and (ii) execute on a prior business plan submitted to OTS that was dependant on capital infusions from the Holding Company to facilitate a turnaround in the Association's earnings performance (Prior Business Plan); and

WHEREAS, OTS, pursuant to 12 USC § 1818, has the statutory authority to enter into and enforce supervisory agreements to ensure the establishment and maintenance of appropriate safeguards in the operation of entities it regulates, including the Association and the Holding Company (together, the Regulated Entities);

WHEREAS, in furtherance of their common goal to ensure that the Regulated Entities address the unsafe and unsound acts and practices and weaknesses and deficiencies identified by OTS, the board of directors of the Association (Association Board), the board of directors of the Holding Company (Holding Company Board) and OTS have mutually agreed to enter into this Agreement;

WHEREAS, on May 27, 2009, the Association 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; and

WHEREAS, on May 27, 2009, the Holding Company Board, at a duly constituted meeting adopted a resolution that authorizes the Holding Company to enter into this Agreement and directs compliance by the Holding Company 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, it is agreed as follows:

PART I -- TERMS APPLICABLE TO ASSOCIATION

1.01. Business Plan.

(a) Within ninety (90) days of the Effective Date, the Board shall consider and approve, and the Association shall implement a comprehensive business plan that covers the three years ending June 30, 2012 (Business Plan). The Business Plan shall, at a minimum, include:

(i) a detailed narrative of the Association Board's general business philosophy, plans and strategies to improve the Association's financial condition, and the means by which the Association will achieve those plans and strategies;

(ii) a detailed discussion of the Association's current financial condition and resources, and an assessment of its strengths and weaknesses; and the Association Board's strategies for utilizing the Association's financial resources to meet the Association's needs under the Business Plan, adequately support the Association's risk profile, maintain compliance with applicable regulatory capital requirements, and satisfy the Association's liquidity needs;

(iii) a detailed description and discussion of all new activities, and the risks attendant to such activities, that the Association intends to engage in during the term of the Business Plan, together with an evaluation of the capabilities of senior management at the Association (Association Management) to implement the Business Plan and those activities;

(iv) a detailed discussion of the Association's plan to eliminate higher risk activities set forth in the Prior Business Plan in view of the continuing erosion of capital;

(v) a prohibition against the Association's engaging in any activity that is not set forth in the Business Plan, without thirty (30) days prior written notice to the Regional Director and receipt of written non-objection from the Regional Director to such activity;

(vii) a detailed plan designed to reduce non-interest expenses;

(viii) a detailed plan to reduce the number of properties held as real estate owned;

(ix) a detailed funding diversification plan to reduce the Association's reliance on borrowed funds and increase core deposits;

(x) a detailed budget corresponding to the Business Plan's projected activities (Budget), that includes quarterly financial projections (balance sheets, income statements, and regulatory capital schedules) for each quarter covered by the Business Plan that are prepared in a manner consistent with the Thrift Financial Report (TFR) and according to the instructions contained in Sections 625 and 630 of the OTS Applications Processing Handbook, and shall include the following:

- Form 1 – Balance Sheet
- Form 2 – Income Statement

- Form 4 – Table of Regulatory Capital Levels
- Form 5 – Table of Loan Origination Levels
- Form 6 – Interest Rate Assumptions for New Production;

(xi) a written Contingency Plan that will be activated in the event that the Association's Tier 1 (Core) Capital Ratio is less than five percent (5%) or its total risk-based capital ratio is less than ten percent (10%). The Contingency Plan shall detail the Association's proposal (with specific time frames) to achieve one of the following results: (A) merger with or acquisition by another banking institution or banking institution holding company; or (B) voluntary liquidation by, among other things, filing an appropriate application with OTS in conformity with federal law and regulations; and

(xii) all relevant assumptions underlying the Business Plan, and back-up documentation supporting such assumptions.

(b) Within seventy-five (75) days of the Effective Date, the Association Board shall provide the Business Plan to the Regional Director for review and comment. Within fifteen (15) days of receipt of any comments from the Regional Director, the Board shall amend the Business Plan to incorporate the comments. The Association Board shall then provide the revised Business Plan to the Regional Director for review and comment. Not later than thirty (30) days following the Association's receipt of non-objection to the Business Plan from the Regional Director (Approved Business Plan), the Association Board shall adopt the Approved Business Plan and ensure Association Management adheres to and implements the Business Plan.

(c) Any proposed material modifications to the Approved Business Plan shall be submitted to the Regional Director thirty (30) days prior to implementation and shall not be implemented prior to receipt of written non-objection from the Regional Director.

(d) Within forty-five (45) days after the close of each calendar quarter beginning with the quarter ending June 30, 2009, the Board shall require Association Management to prepare quarterly variance reports on the Association's compliance with the Approved Business Plan (Quarterly Business Plan Variance Reports). The Quarterly Business Plan Variance Reports shall include actual operating results versus projected results, detailed explanations of any material deviations from the Approved Business Plan, and a specific description of the corrective actions or measures that have been implemented, proposed or are under consideration to correct any material deviation.

(e) The Association Board shall conduct a thorough and diligent review of the Quarterly Business Plan Variance Reports each quarter and assess the Association Management's implementation of and the Association's compliance with the Approved Business Plan. The Association Board's review of the Quarterly Business Plan Variance Report and assessment of the Association Management's and the Association's compliance shall be fully documented in the appropriate Association Board meeting minutes. A copy of the Quarterly Business Plan Variance Report and the Association Board meeting minutes detailing the Association Board's review and corrective actions, if any, should be provided to the Regional Director within fifteen (15) days after the Association Board's review.

(f) In the event that the Contingency Plan is activated, the Association Board shall monitor compliance on a monthly basis, by no later than ten (10) days following the end of each month. All such reviews shall be documented in the minutes of the Association Board. The Association shall submit monthly written status reports to the Regional Director within fifteen (15) days after the end of each month during which the Contingency Plan is operative.

(g) By no later than July 31, 2010, and every year thereafter, the Association Board shall review and update the Approved Business Plan to take into account the Association's annual performance under the Approved Business Plan during that fiscal year, and any changes in interest rates and market conditions occurring during that year. Such reviews and updates shall be documented in the Association Board's minutes. The Association shall not implement any material updates or revisions to the Approved Business Plan without the Regional Director's prior written non-objection.

(h) "Material" has the following meaning in this Paragraph 1.01 of the Agreement:

(i) concerning a modification to the Approved Business Plan, any plan to: (A) engage in any activity that is inconsistent with the Approved Business Plan; or (B) exceed the level of any activity contemplated in the Approved Business Plan or fail to meet established target amounts in the Approved 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% is material; and

(ii) concerning a deviation from the Approved Business Plan, when the Association: (A) engages in any activity that is inconsistent with the Approved Business Plan; or (B) exceeds the level of any activity contemplated in the Approved Business Plan or fails to meet established target amounts in the Approved 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% is material.

1.02. **Lending and Investment Restrictions and Revision.**

(a) Until such time as the Association receives the Regional Director's non-objection to the Business Plan required by Paragraph 1.01 above, the Association may only engage in the

activities enumerated in the Prior Business Plan, except for the following types of lending: (i) Construction Loans; (ii) Land Loans; and (iii) Commercial Loans as those are enumerated in the Prior Business Plan, and as set forth in Section 1.02(b) and (c).

(b) Until such time as the Association receives non-objection to the Business Plan, the Association may originate residential construction loans for owner-occupied dwellings for which the Association has received binding, written, loan-purchase commitment letters from Taylor Bean & Whitaker, the loan-to-value ratio will not exceed 80% and the borrower's debt-to-income ratios will not exceed the DTIL.

(c) For purposes of this Agreement, "DTIL" is a ratio expressed as a percentage that

(i) may not exceed 28%, calculated in the following manner: (A) a borrower's total monthly obligations relating to the mortgaged property, consisting of payments for principal, interest, taxes and insurance (collectively, "PITI") to (B) the borrower's gross monthly income and

(ii) may not exceed 38%, calculated in the following manner: (A) a borrower's total monthly obligations, consisting of PITI and other monthly contractual payment obligations, including installment debt, revolving debt, other real estate loans, alimony and child support obligations, provided they were either court ordered or identified on the loan application, but not including obligations such as utilities, tuition, food or clothing, to (B) the borrower's gross monthly income.

(d) Within thirty (30) days of the Effective Date, the Association shall revise its internal loan review procedures for commercial loans and commercial real estate loans to require that a review of each borrower's capacity and ability to maintain performance under the terms of the loan must be conducted no less frequently than annually.

1.03. **Reduction of Criticized-Assets-to-Capital Ratio/
Required Improvements to Identification and Reporting of Special Mention Assets.**

(a) At December 31, 2009, and at all times thereafter, the Association's Criticized-Assets-to-Capital Ratio (as defined below) shall not exceed thirty per cent (30%) and, prior to December 31, 2009, the Association shall reduce its Criticized-Assets-to-Capital Ratio to comply with the maximum permissible ratios set out in the table below.

Phased Reduction of Criticized-Assets-to-Capital Ratio		
	6/30/09	12/31/09 & thereafter
Maximum Permissible Criticized-Assets-to-Capital Ratio:	40.0%	30.0%

The Association shall cause its Criticized-Assets-to-Capital Ratio to comply with the limitations set out in the preceding sentence and table.

(b) Within forty-five (45) days after the close of each calendar quarter beginning with the quarter ending June 30, 2009, Association Management shall prepare and submit to the Regional Director a written quarterly status report that: (i) identifies the amount of the Association's Criticized Assets (as defined below) and its Criticized-Assets-to Capital Ratio (using the quarter-end TFR data); (ii) discusses the actions taken by the Association during the quarter to improve such ratio and reduce the level of Criticized Assets; (iii) addresses other considerations and events that affected such ratio; and (iv) describes the significant actions the Association plans to take to further improve such ratio during the quarter that will be the subject of the Association's next TFR.

(c) For purposes of this Agreement, the term “Criticized-Assets-to-Capital Ratio” refers to the percentage that is determined when the total dollar amount of the Association’s Criticized Assets (the numerator) is divided by a denominator amount equal to the sum of (i) the Association’s Tier 1 capital, and (ii) the Association’s total allowance for loan and lease losses (ALLL).¹ The term “Criticized Assets” means Association assets that are, and subsequent to the Effective Date will have been, classified as “substandard,” “doubtful,” “loss,” or “special mention,” either by the Association (pursuant to 12 CFR § 560.160(a)(1)) or by OTS (pursuant to 12 CFR § 560.160(a)(2) and other applicable laws and regulations).²

(d) By no later than June 30, 2009, the Association shall take all necessary steps to properly identify and report all Criticized Assets on Schedule VA of the TFR in accordance with 12 CFR § 560.160 and Section 260 of OTS’s Examination Handbook.

1.04. **Schedule CMR and IRR Policy.**

(a) Beginning with the quarter ending June 30, 2009, the Association shall file, as part of each quarterly filing of the TFR, the Schedule Consolidated Maturity and Rate (CMR) in accordance with the Instructions for filing the Schedule CMR described in the TFR Instruction Manual.

(b) By no later than June 15, 2009, the Board shall adopt and the Association shall implement revised policies and procedures governing the Association’s interest rate risk exposure (IRR Policy) and Association Board-approved exposure limits that incorporate the requirement to file Schedule CMR and, at minimum:

¹ ALLLs are reported at lines SC283 and SC357 of TFR Schedule SC. The total amount of all ALLLs should be the sum of the amounts reported on those TFR lines.

² Criticized Assets are reported at lines VA960, VA965, VA970 and VA975 of TFR Schedule V. The total amount of Criticized Assets should be the sum of the amounts reported on those TFR lines.

(i) Set forth specific actions that will be taken to remedy the failure to maintain the Association's post-shock interest rate risk portfolio value (NPV) limits previously established by the Association Board;

(ii) Specify that the NPV limits established by the Association Board will continue to provide for no more than "moderate" risk as that term is used in Part IV A.3. and Appendix A of OTS Thrift Bulletin (TB) 13a;

(iii) Comply with applicable laws and OTS regulations including 12 CFR § 563.176(b);

(iv) Comply with regulatory guidance, including TB 13a and Section 650 (Interest Rate Risk Management) of the OTS Examination Handbook; and

(v) Establish an IRR monitoring and review process that includes quarterly reports to the Association Board.

(c) By no later than May 29, 2009, the Association shall submit the IRR Policy to the Regional Director for review and comment. Upon receiving any comments from the Regional Director directing modification of the IRR Policy, the Association Board shall amend the IRR Policy to incorporate such comments within fifteen (15) days of receipt of the comments and the Association shall thereafter implement the revised IRR Policy.

1.05. **Borrowed Funds/Brokered Deposit Restrictions.**

(a) Except as provided for in the Approved Business Plan, the Association shall not, directly or indirectly, borrow any additional funds or replace existing borrowed funds with other borrowed funds, other than through its non-brokered deposit gathering activities, without the prior written approval of the Regional Director. All Association requests for such prior written approval shall contain, but not be limited to, a statement describing the purpose of the borrowed

funds and describing and analyzing the terms of the borrowed funds and the planned source(s) for repayment of the borrowed funds, an analysis of the Association's cash flow and other resources available to repay the proposed borrowed funds, and an estimation of the impact of the borrowed funds on net income.

(b) The Association shall not accept brokered deposits without receiving the prior written approval of the Regional Director. The Association's written request for such approval should be submitted to the Regional Director at least forty-five (45) days prior to the anticipated date of acceptance of brokered deposits.

1.06. **Asset Growth Restriction.**

The Association shall limit its asset growth in any quarter to an amount not to exceed net interest credited on deposit liabilities during the quarter unless a different amount is provided for in the Approved Business Plan.

1.07. **Employment Contracts and Compensation Arrangements.**

Effective immediately, the Association shall not enter into, renew, extend or revise any contractual arrangement related to compensation or benefits for any Senior Executive Officer or director of the Association, unless it first provides the Regional Director with not less than thirty (30) days prior written notice of the proposed transaction and receives a written notice of non-objection from the Regional Director. The 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 Association Board shall ensure that any contract, agreement or arrangement submitted to the Regional Director 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. The

restrictions set forth in this Paragraph are in addition to and supplement the restrictions set forth in Paragraph 3.02.

1.08. **Transactions with Affiliates.**

Effective immediately, the Association shall not engage in any transaction with an affiliate unless, with respect to each such transaction, the Association has complied with the notice requirements set forth in 12 CFR § 563.41(c)(4), which shall include the information set forth in 12 CFR § 563.41(c)(3). The Board shall ensure that any transaction with an affiliate for which notice is submitted pursuant to this Paragraph, complies with the requirements of 12 CFR § 563.41 and Regulation W, 12 CFR Part 223.

1.09. **Third Party Contracts.**

Effective immediately, the Association shall not enter into any arrangement or contract with a third party service provider that is significant to the overall operation or financial condition of the Association³ or outside the Association's normal course of business unless, with respect to each such contract, Association has: (i) provided the Regional Director with a minimum of thirty (30) days prior written notice of such arrangement or contract; (ii) determined that the arrangement or contract complies with the standards and guidelines set forth in TB 82a; and (iii) received written notice of non-objection from the Regional Director. 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.

³ A contract will be considered significant to the overall operation or financial condition of the Association where the annual contract amount equals or exceeds two (2) percent of the Association's total capital.

PART II -- TERMS APPLICABLE TO HOLDING COMPANY

2.01. Cooperation With Savings Association's Compliance With Agreement/ Holding Company Compliance Plan Required.

(a) The Holding Company must support, cooperate with and not impede the Association's compliance with the Agreement or the formulation and development of the Business Plan required by Paragraph 1.01. Once implemented, the Holding Company shall support and not impede the Association's compliance with the Agreement or the implementation of the Approved Business Plan.

(b) Within thirty (30) days of the Effective Date, the Holding Company, pursuant to due authorization by the Board of Directors, shall submit to the Regional Director for review and comment, a written plan that describes all the steps the Holding Company will take to assist the Association in complying with Part I of this Agreement (Holding Company Compliance Plan). The Holding Company Compliance Plan, at a minimum, must:

(i) fully document the type and timing of all Holding Company actions planned or contemplated to provide appropriate assistance to the Association in maintaining compliance with the terms of the Agreement;

(ii) describe the Holding Company's plans to raise additional equity capital that will be infused into the Association, together with a schedule of expected timing of such capital infusion; and

(iii) provide an alternative strategy in the event that the capital raising efforts are not successful.

(c) Within thirty (30) days of receipt of the Regional Director's comments on the Holding Company Compliance Plan, the Holding Company shall revise the proposed Compliance Plan as appropriate to address the Regional Director's written comments.

(d) Immediately upon receipt of written notice of non-objection to the Holding Company Compliance Plan from the Regional Director, the Holding Company must implement and adhere to the Holding Company Compliance Plan.

(e) Within forty-five (45) days after the close of each calendar quarter beginning with the quarter ending June 30, 2009, the Holding Company Board shall conduct documented reviews and evaluations of the Holding Company's performance of its obligations under the Holding Company Compliance Plan, and, within ten (10) calendar days following such review, shall provide the Regional Director with a written report addressing whether there have been any material deviations from the Holding Company Compliance Plan that, at a minimum: (i) describe the material deviations; and (ii) the corrective actions to be taken or have been taken by the Holding Company to address such material deviations.

(f) The Holding Company Compliance Plan shall be incorporated into this Agreement, and any material deviation from the Holding Company Compliance Plan shall be deemed noncompliance with this Agreement.

PART III -- TERMS APPLICABLE TO BOTH REGULATED ENTITIES

3.01. Management Changes.

Effective immediately, the Regulated Entities shall comply with the prior notification requirements for changes in directors and Senior Executive Officers set forth in 12 CFR Part 563, Subpart H. Without limitation on such requirements, this means, among other things, that,

except as otherwise permitted by 12 CFR § 563.590: (i) the Regulated Entities must notify the Regional Director at least thirty (30) days before adding or replacing any member of the Association Board or the Holding Company Board, employing any person as a Senior Executive Officer, or changing the responsibilities of any Senior Executive Officer so that the person would assume a different Senior Executive Officer position; and (ii) the proposed director or Senior Executive Officer may not begin service except as permitted by 12 CFR § 563.585 and 12 USC § 1831i.

3.02. **Severance and Indemnification Payments.**

Effective immediately, the Regulated Entities shall not make any golden parachute payment⁴ or prohibited indemnification payment⁵ unless, with respect to each such payment, the respective Regulated Entity has complied with the requirements of 12 CFR Part 359.

3.03. **Board Oversight of Compliance with Agreement.**

(a) Beginning with the close of the quarter ending June 30, 2009, and on at least a quarterly basis thereafter, the board of directors of each Regulated Entity shall require management to provide such information and reports as to allow the Holding Company Board, Association Board and their respective Audit Committees to monitor the Association's compliance with the requirements of this Agreement, including such information or reports that are: (i) requested by the Holding Company Board, Association Board; or their respective Audit Committees or (ii) otherwise necessary to facilitate such monitoring.

(b) The Audit Committees of the Holding Company Board and the Association Board shall regularly monitor and shall provide timely reports and guidance to their respective Boards

⁴ The term "golden parachute payment" is defined at 12 CFR § 359.1(f).

⁵ The term "prohibited indemnification payment" is defined at 12 CFR § 359.1(l).

and Management for the purpose of facilitating the Association's compliance with the provisions of this Agreement. Within forty-five (45) days after the close of each calendar quarter beginning with the quarter ending June 30, 2009, each Audit Committee shall prepare written quarterly progress reports to their respective Boards including:

(i) the actions taken by the Association to comply with each provision of this Agreement and descriptions of the results of such actions, and

(ii) all violations of this Agreement, and further descriptions of all remedial actions that have been effected and/or that are contemplated with respect to such violations.

(c) Within forty-five (45) days after the close of each calendar quarter beginning with the quarter ending June 30, 2009, each Board shall submit to the Regional Director (i) a copy of their Audit Committee's quarterly progress report required by the foregoing subparagraph, with any additional comments made by the Board; and (ii) a written certification that each director has reviewed the report.

(d) Nothing contained herein shall diminish the responsibility of the entire Association Board and the Holding Company Board to ensure compliance with the provisions of this Agreement.

3.04. **Effective Date.**

This Agreement is effective on the Effective Date as shown on the first page.

3.05. **Duration.**

This Agreement shall remain in effect until terminated, modified or suspended, by written notice of such action by OTS, acting by and through its authorized representatives.

3.06. **Time Calculations.**

(a) Calculation of time limitations for compliance with the terms of this Agreement run from the Effective Date and shall be based on calendar days, unless otherwise noted.

(b) The Regional Director or an OTS authorized representative may extend any of the deadlines set forth in the provisions of this Agreement upon written request by the Association or Holding Company that includes reasons in support for any extension. Any OTS extension shall be made in writing.

3.07. **Submissions and Notices.**

(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:

To OTS:

<u>The original to:</u> Michael E. Finn, Regional Director Office of Thrift Supervision Harborside Financial Center Plaza Five Suite 1600 Jersey City, New Jersey 07311	<u>A copy to:</u> Martin J. Lavelle, Assistant Director Office of Thrift Supervision Harborside Financial Center Plaza Five Suite 1600 Jersey City, New Jersey 07311
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To the Association:

Attn: Mr. Robert W. Pugh, Jr.
Chairman of the Board
Liberty Savings Bank, F.S.B.
21 South Centre Street
Pottsville, PA 17901

To the Holding Company:

Attn: Mr. Robert W. Pugh, Jr.
Chairman of the Board
Liberty Centre Bancorp, Inc.
21 South Centre Street
Pottsville, PA 17901

3.08. **No Violations Authorized.**

Nothing in this Agreement shall be construed as allowing the Regulated Entities, their boards of directors, officers or employees to violate any law, rule, or regulation.

3.09. **OTS Authority Not Affected.**

Nothing in this Agreement shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting the Regulated Entities if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

3.10. **Other Governmental Actions Not Affected.**

The Regulated Entities acknowledge and agree that their execution of the Agreement is solely for the purpose of resolving the matters addressed herein, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Regulated Entities that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

3.11. **Miscellaneous.**

(a) The laws of the United States of America shall govern the construction and validity of this Agreement.

(b) If any provision of 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 or her sole discretion determines otherwise.

(c) All references to OTS in this Agreement shall mean any of the OTS's predecessors, successors and assigns.

(d) The section and paragraph headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

(e) The terms of this Agreement represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

3.12. **Enforceability of Agreement.**

This Agreement is a "written agreement" entered into with an agency within the meaning and for the purposes of 12 USC §§ 1818(b)(1), 1818(e)(1), 1818(i)(2), and 1818(u)(1)(A).

3.13. **Signature of Directors/Board Resolution.**

Each Director of the Association Board and the Holding Company Board signing this Agreement attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association or the Holding Company, as the case may be, to the execution and issuance of the Agreement. This Agreement may be executed in counterparts by the directors after approval of execution of the Agreement at a duly called board meeting of each respective Board. A copy of the resolution authorizing execution of this Agreement by the Association Board and the Holding Company Board shall be delivered to OTS, along with the executed original(s) of this Agreement.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, OTS, acting by and through its Regional Director, and the Association and the Holding Company, hereby execute this Agreement.

LIBERTY SAVINGS BANK, F.S.B.

LIBERTY CENTRE BANCORP, INC.

By: _____
Judith I. Hoffman
Chief Executive Officer

By: _____
Judith I. Hoffman
Chief Executive Officer

Frank J. Grabowski, Director

Frank J. Grabowski, Director

Daniel C. Guers, Director

Daniel C. Guers, Director

Judith I. Hoffman, Director

Judith I. Hoffman, Director

Michael R. Muncy, Director

Michael R. Muncy, Director

Menelaos P. Pallas, Director

Menelaos P. Pallas, Director

Ronald R. Pellish, Director

Ronald R. Pellish, Director

Robert W. Pugh, Jr., Director

Robert W. Pugh, Jr., Director

OFFICE OF THRIFT SUPERVISION

By: /S/ _____
Michael E. Finn
Regional Director, Northeast Region

Date: See Effective Date on page 1

WHEREFORE, OTS, acting by and through its Regional Director, and the Association and the Holding Company, hereby execute this Agreement.

LIBERTY SAVINGS BANK, F.S.B.

LIBERTY CENTRE BANCORP, INC.

By: /S/
Judith I. Hoffman
Chief Executive Officer

By: /S/
Judith I. Hoffman
Chief Executive Officer

/S/
Frank J. Grabowski, Director

/S/
Frank J. Grabowski, Director

/S/
Daniel C. Guers, Director

/S/
Daniel C. Guers, Director

/S/
Judith I. Hoffman, Director

/S/
Judith I. Hoffman, Director

/S/
Michael R. Muncy, Director

/S/
Michael R. Muncy, Director

/S/
Menelaos P. Pallas, Director

/S/
Menelaos P. Pallas, Director

/S/
Ronald R. Pellish, Director

/S/
Ronald R. Pellish, Director

/S/
Robert W. Pugh, Jr., Director

/S/
Robert W. Pugh, Jr., Director

OFFICE OF THRIFT SUPERVISION

By: _____
Michael E. Finn
Regional Director, Northeast Region

Date: See Effective Date on page 1