

UNITED STATES OF AMERICA
BEFORE
THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
LANSING, MICHIGAN

Written Agreement by and among)

NEW CENTURY BANK)
Southfield, Michigan)

FEDERAL RESERVE BANK)
OF CHICAGO)
Chicago, Illinois)

and)

OFFICE OF FINANCIAL AND)
INSURANCE SERVICES)
Lansing, Michigan)

) Docket No. 00-022-WA/RB-SM

WHEREAS, in recognition of their common goal to restore and maintain the financial soundness of the New Century Bank, Southfield, Michigan (the "Bank"), a state chartered bank that is a member of the Federal Reserve System, the Bank, the Federal Reserve Bank of Chicago (the "Reserve Bank"), and the Office of Financial and Insurance Services (the "OFIS") have mutually agreed to enter into this Written Agreement (the "Agreement"); and

WHEREAS, on December 11, 2000 the board of directors of the Bank, at a duly constituted meeting adopted a resolution authorizing and directing, Vincent DiLorenzo, Chairman of the Bank, to enter into this Agreement on behalf of the Bank, and consented to

compliance by the Bank and its institution-affiliated parties, as defined by section 3(u) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813(u)) (the "FDI Act"), with each and every provision of this Agreement.

NOW, THEREFORE, the Bank, the Reserve Bank, and the OFIS agree as follows:

IT Audit

1. Within 20 days of this Agreement, the Bank shall engage an outside consultant, acceptable to the Reserve Bank and the OFIS, to conduct an independent assessment of the Bank's exposure to risks associated with the use of information technology ("IT") and to prepare a written report of findings and recommendations to the board of directors. The independent assessment shall, at a minimum, address and consider the Bank's IT exposure within the Bank and through its service providers in the areas of: (i) user operations; (ii) client/server architecture; (iii) local area networks; (iv) telecommunications; (v) information security; (vi) electronic data interchange; and (vii) contingency planning. A copy of the consultant's written report shall be forwarded to the Reserve Bank and the OFIS.

IT Policies and Procedures

2. Within 60 days of receipt of the consultant's written report described in paragraph 1 hereof, the Bank shall submit to the Reserve Bank and the OFIS acceptable written IT policies and procedures that fully address the consultant's findings and recommendations. These policies and procedures shall also address, consider, and include, but not be limited to: (i) the management of technology risks affecting all areas of the Bank's operations;

(ii) responsibilities for mission critical applications; (iii) computer security; (iv) end user computing; (v) network administration; (vi) computer operations, including data preparation, transaction processing, performance monitoring, and workload scheduling; (vii) change control; (viii) parameter specifications; (ix) standards for handling systems support, including data integrity and associated risks when outsourcing the systems support function; and (x) processes for monitoring security and reviewing security reports.

Contingency Plan

3. (a) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the OFIS an acceptable written contingency plan, including disaster recovery and business resumption. The plan shall, at a minimum, address, consider, and include: (i) a business continuity planning strategy; (ii) an assessment of the potential impact of mission critical system failures; (iii) a timeline for implementation and circumstances and trigger dates for activation; and (iv) a method of validation so the plan can be tested for viability.

(b) Within 90 days of the Reserve Bank's and OFIS's approval of the contingency plan, and annually thereafter, the Bank shall test the plan for viability.

(c) Within 30 days of completion of the viability test described in paragraph 3(b) hereof, management shall submit its conclusions to the board of directors for review and comment. Within 15 days of this review, the board of directors shall submit a copy of the test conclusions and the board of directors's comments to the Reserve Bank and the OFIS.

Wire Transfer Policies and Procedures

4. Within 30 days of this Agreement, the Bank shall submit to the Reserve Bank and the OFIS acceptable written wire transfer policies and procedures that shall, at a minimum, address, consider, and include: (i) separation of duties for processing, sending, reconciling and reviewing wire transfers; (ii) security procedures, including call backs to authenticate telephoned, telefaxed, or written wire transfer requests; (iii) power-on password protection for the Fedline terminal; and (iv) implementation of the Fedline verification and override and release rules.

Approval of Plan, Policies, and Procedures

5. (a) The plan and policies and procedures required by paragraphs 2, 3(a), and 4 hereof shall be submitted to the Reserve Bank and the OFIS for review and approval. An acceptable plan and acceptable policies and procedures shall be submitted to the Reserve Bank and the OFIS within the time periods set forth in this Agreement. The Bank shall adopt the approved plan and the approved policies and procedures within 10 days of approval by the Reserve Bank and the OFIS, and then shall fully comply with them. During the term of this Agreement, the Bank shall not amend or rescind the approved plan and the approved policies and procedures without the prior written approval of the Reserve Bank and the OFIS.

(b) The board of directors shall review all IT policies, procedures, and plans annually and document the review in the minutes of the board of directors meetings.

Communications

6. All communications regarding this Agreement shall be sent to:
 - (a) Mr. John J. Wixted, Jr.
Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60690
 - (b) Mr. Frank M. Fitzgerald
Commissioner
Office of Financial and Insurance Services
P.O. Box 30224
Lansing, Michigan 48909
 - (c) Mr. Vincent DiLorenzo
Chairman
New Century Bank
23155 Northwest Highway
Southfield, Michigan 48075

Miscellaneous

7. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank and the OFIS may, in their sole discretion, grant written extensions of time to the Bank to comply with any provision of this Agreement.
8. The provisions of this Agreement shall be binding upon the Bank and all of its institution-affiliated parties, in their capacities as such, and their successors and assigns.
9. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated or suspended by the Reserve Bank and the OFIS.

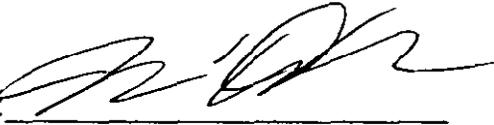
10. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors or the OFIS or any other federal or state agency from taking any other action affecting the Bank or any of their current or former institution-affiliated parties and their successors and assigns.

11. This Agreement is a "written agreement" for the purposes of, and is enforceable by the Board of Governors as an order issued under, section 8 of the FDI Act.

12. This Agreement does not supercede, stay, modify, terminate, or suspend any provision of the Written Agreement among New Century Bancorp, Southfield, Michigan, the Bank, the Reserve Bank, and the OFIS, dated July 13, 2000.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 23 day of JANUARY, 2001.

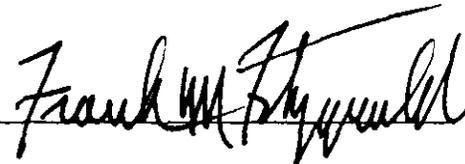
New Century Bank

By: 
VINCENT DI LORENZO

Federal Reserve Bank of Chicago

By: 

Office of Financial and Insurance Services

By: 

The undersigned directors of the Bank individually acknowledge reading the foregoing Agreement and approve of the consent thereto by the Bank.


Peter Beer

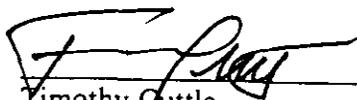

James Gifos

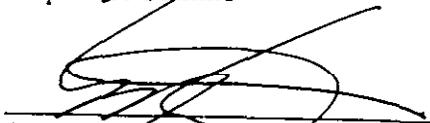
Hector A. Bultynck III

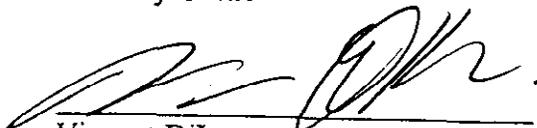

Kimberly R. Mitseff

Michael Chirco

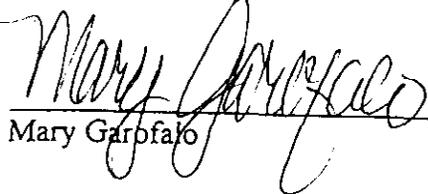

Alphonse Santino


Timothy Cuttle


Benedetto Sorrentino


Vincent DiLorenzo


Thomas P. Sheridan


Mary Garofalo

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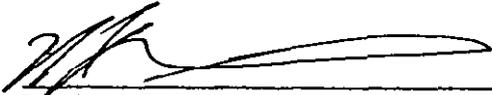
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