CPP **ANNUAL USE OF CAPITAL SURVEY - 2010**

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Crosstown Holding Company ("CHC")/21st Century Bank ("21st")

Person to be contacted regarding this report:	Jonathan F. Dolphin, President	RSSD: (For Bank Holding Companies)	3304352
UST Sequence Number:	456	Holding Company Docket Number: (For Thrift Holding Companies)	N/A
CPP/CDCI Funds Received:	10,650,000	FDIC Certificate Number: (For Depository Institutions)	9751
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	N/A
Date Funded (first funding):	January 23,2009	City:	Loretto
Date Repaid[1]:	N/A	State:	Minnesota

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒	Increase lending or reduce lending less than otherwise would have occurred.	Orig plan: filter TARP to 21st and make loans. Actual: US Bank demanded balance on CHC's credit line when the TARP funds were received.TARP sent to US Bank.No TARP would have required a large dividend from 21st--result would have been less lending in '09 and '10 than actual.
☒	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	2010: Focus was Small Business Loan origination, both Business Asset and Building secured. Church loans were the other major area of loan origination. 2009: Small Business Loan origination (both Bus Asset and bldg) and 5+ Res
☐	Increase securities purchased (ABS, MBS, etc.).	

☐	Make other investments	
☐	Increase reserves for non-performing assets	
☒	Reduce borrowings	Against 21st's/CHC's plans for the capital of leveraging it (make loans), this was the primary use given 21st's lack of choice given US Bank's demand.
☐	Increase charge-offs	
☐	Purchase another financial institution or purchase assets from another financial institution	
☐	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

As stated above, the major action avoided because of TARP was taking a large dividend of capital from the bank to CHC in order to satisfy US Bank's demand. The other option had TARP not been made available was to take a dividend of the amount of US Bank's demand. A dividend of that amount would have reduced 21st's Total Risked Based Capital to 11.50 % approximately. In this environment, that would have lead to minimal, if any lending in 2009 and 2010. As it worked out and because of TARP, 21st greatly increased its Small Business lending in 2009 and was among the leaders for community banks in the metro area of Minnesota for Small Business Lending in 2010. 21st anticipates ranking among the top in Small Business Lending in 2011. The focus of 21st on increasing Small Business Lending is a major part of the bank's Diversification Strategy enacted in 2009.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

In 2010, 21st originated approximately $30M in new lending--$15M of Business Asset secured Small Business Loans; $10M of Owner Occupied Building secured Small Business Loans; $5M of Church Refinancings.

As stated numerous times through this survey, TARP did not directly go towards increasing capital to facilitate this lending; however, if TARP hadn't been offered, the bank's capital levels would have been reduced (dividend) which would not have allowed the above lending.

In 2010-2011, 21st has added three people to its lending force and plans on adding another lender by August of 2011. This additional personnel will allow the bank to effectively market/network to more potential small business customers than prior years. The goal of 21st is to originate approximately $36M of new loans, the majority of these loans targeted being Small Business Loans (business asset and building).

In 2012, with seasoning of the lending group, 21st anticipated reaching the $50M origination level, with the focus being Small Business loans.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

N/A