

94824

OTS No. 4837

**SUPERVISORY AGREEMENT**

This Supervisory Agreement ("Agreement") is made and is effective this 9th day of March, 1993 (the "Effective Date"), by and between Union City Savings Bank (the "Association"), a state chartered mutual association, having its main office located at 4200 Bergenline Avenue, Union City, New Jersey and the Office of Thrift Supervision ("OTS"), an office within the Department of the Treasury, a department in the Executive Branch of the United States Government, having its principal executive offices located at 1700 G Street, N.W., Washington, D.C.

WHEREAS, the OTS is the primary federal regulator of the Association; and

WHEREAS, based on the Report of Examination dated July 15, 1992 (the "1992 Report of Examination"), the OTS, represented by the Regional Director for the Northeast Region or his designee ("Regional Director") is of the opinion that the Association has engaged in acts and practices in operating the business of the Association that: (i) have resulted in violations of certain of the laws or regulations to which the Association is subject and/or (ii) are considered to be unsafe and unsound; and

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of administrative proceedings against the Association; and

WHEREAS, the OTS is of the view that it is appropriate to take measures intended to ensure that the Association will: (1) comply with all applicable laws and regulations and (2) engage in safe and sound practices; and

WHEREAS, the Board of Directors of the Association (the "Board") wishes to cooperate with the OTS and to demonstrate that they have the intent and ability to: (1) comply with all applicable laws and regulations and (2) engage in safe and sound practices.

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

## I. COMPLIANCE WITH LAWS AND REGULATIONS

1.1. The Association shall comply with the following Federal laws and regulations:

(a). Section 5(t) of the Home Owner's Loan Act, as amended ("HOLA"), 12 U.S.C. §1464(t) et seq. (regarding capital requirements);

(b). Section 38 of the Federal Deposit Insurance Act, as amended ("FDIA"), 12 U.S.C. §1831o (regarding prompt corrective action);

(c). Section 563.176 of the OTS Regulations, 12 C.F.R. §563.176 (regarding interest rate risk management procedures);

(d). Section 303.13(d)(2)(ii) of the Federal Deposit Insurance Corporation ("FDIC") Regulations, 12 C.F.R. §303.13(d)(2)(ii) (regarding service corporations); and

(e) The Supervisory Directives issued by the OTS dated June 13, 1988 and March 18, 1992.

1.2. The requirements set forth in Section 1.1 that the Association conduct its business in conformity with the requirements of the Federal laws and regulations set forth therein shall not be construed as an authorization for the Association to engage in any activity permitted by said laws and regulations. Furthermore, to the extent that it is lawful for the Association or its affiliates to engage in such activities, they shall be subject to any stricter restrictions, limitations and requirements set forth in this Agreement.

## II. CORRECTIVE REQUIREMENTS AND RESTRICTIONS ON ACTIVITIES

### 2.1. Asset Growth.

Without the prior written approval of the Regional Director, the Association shall not increase its Total Assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during the quarter. This restriction of Section 2.1 shall continue in effect so long as the Association receives a MACRO rating of 4 or 5 from the OTS.

### 2.2. Changes in Directors or Executive Officers; Terms of Employment and Golden Parachute Payments.

A. As required by Section 32 of the FDIA, 12 U.S.C. § 1831i and OTS Thrift Bulletin 45, the Association shall provide at least 30 days prior written notice of any changes to its Board or Executive Officer staff to the OTS before the employment becomes effective.

B. Pursuant to the principles of safety and soundness enunciated in OTS Regulatory Bulletin 27, the Association shall not enter into, renew, extend or revise any contractual arrangement related to compensation or benefits with any Director, Executive Officer, Employee or other Institution-affiliated party of the Association or any Subsidiary or affiliate thereof, unless it first (i) provides a minimum of thirty (30) days advance notice of the proposed transaction and (ii) receives a written notice of non-objection from the Regional Director with regard to thereto.

C. The Association shall not make any "golden parachute payment", as that term is defined in Section 18(k) of the FDIA, 12 U.S.C. § 1828(k), and as it may be further defined in regulations adopted by the FDIC under that authority, unless it first (i) provides a minimum of thirty (30) days advance notice of the proposed payment and (ii) receives a written notice of non-objection from the Regional Director with regard thereto.

### 2.3. Third Party Contracts; TB 50 Review

A. Within 30 days of the Effective Date, the Association shall prepare and submit to the Regional Director: (i) a list of all consultants, investment bankers, attorneys, accountants and other third parties hired to provide services not usually required in the normal course of business to whom the Association or any subsidiary thereof have paid or are paying fees in excess of \$15,000 or who have been retained to represent the Association or any Subsidiary thereof from July 15, 1992 to the present; (ii) the amount of Compensation paid or estimated to be paid to such persons or entities during calendar years 1992 or 1993; and (iii) a brief synopsis of the services rendered. Upon the request of the Regional Director, the Association shall submit a copy of any contractual agreement which may be in effect with respect to such services.

B. The Association shall not enter into, renew, or revise any contractual or fee arrangement where the amount to be paid by the Association exceeds \$15,000 with any consultant, investment banker, attorney, accountant or other third party, hired to provide services not usually required in the normal course of business, without the prior written notice of non-objection of the Regional Director. All such contracts, fee arrangements, and renewals or revisions thereof, shall comply with the requirements of OTS Thrift Bulletin 50 ("TB 50"). Further, all requests for non-objection pursuant to this Section 2.3 similarly shall comply with TB 50 and shall specify the proposed terms and requirements of the arrangement, including, but not limited to, a description of the services to be performed and the fees to be paid. Such requests shall also include an analysis by the Board that proposed fees are reasonable and commensurate with industry norms.

C. All contractual or fee arrangements between the Association or any Subsidiary and consultants, investment

bankers, attorneys, accountants or other third parties shall require the submission of monthly invoices to the Association specifying the amounts claimed and the services provided.

## 2.4. Construction Loans.

### A. Lending.

(1) As of the Effective Date, the Association shall not, without the prior written notice of non-objection of the Regional Director, Make, invest in, participate, purchase, refinance, extend, or otherwise modify any Construction Loans provided that the Association shall be permitted to advance funds necessary to honor existing legally binding commitments in existence as of June 13, 1988 to fund loans ("Commitments") or loans-in-process ("Loans In Process") relating to Construction Loans, provided that the following conditions are satisfied:

(2) Prior to finalizing any Commitment or making any disbursement under Loans In Process, in connection with Construction Loans, the Association shall affirmatively determine that all material conditions precedent to the Commitment or disbursement have been satisfied or have been waived pursuant to established written policies for granting such waivers.

(3) To the extent that it has not already done so, within thirty (30) days of the Effective Date, the Association shall provide the Regional Director with a list of all Commitments and Loans In Process existing as of June 13, 1988 relating to Construction Loans. This list should include the following information: (i) amount and type of Commitments and Loans In Process (including whether firm or standby), the date and the total amount; (ii) indemnity of the borrower, if any; (iii) the effective date of the Commitment; (iv) amount of other outstanding loans or Commitments and Loans In Process to the borrower; (v) type, location, and value of the collateral; (vi) schedule of anticipated funding; (vii) amount of any Commitment fee received and date of receipt; and (viii) amount and portion of interest and fees funded by loan proceeds, if any.

(4) For any Commitments or Loans in Process, relating to the Construction Loans listed in Section 2.4(A)(3), to the extent that it has not already done so, the Association shall provide the Regional Director, within thirty (30) days of the Effective Date, with a written opinion from independent legal counsel, stating that: (i) counsel has reviewed the terms of each such Commitment or Loan In Process listed in Section 2.4(A)(3); (ii) that each such Commitment or Loan in Process constitutes a legally binding obligation of the Association that could be enforced in a court of law by the party to whom the Commitment and Loan in Process is made; and (iii) the honoring of such Commitment and Loan in Process will not cause the Association to violate any laws or regulations applicable to it.

### B. Policy.

To the extent that it has not already done so, within thirty (30) days of the Effective Date, the Board shall adopt and implement a policy and procedures for Construction Loans to ensure that Construction Loans are made in accordance with the Interagency Guidelines for Real Estate Lending Policies, Fed. Reg., Vol., 57, No. 252, pp. 62890-62902, December 31, 1993, to be codified at 12 C.F.R. §563.100-101. Approval of the policy by the Board shall be documented in the Board minutes. The policy shall be reviewed at least annually and such review shall be documented in the Board minutes. The policy shall, at a minimum, provide that: (i) adequate documentation exists to indicate that the proper credit and financial analysis of the borrower's expertise in construction development were performed to determine the ability of the borrower to meet the debt obligation and to successfully complete the project; (ii) adequate appraisals supporting the final valuations; (iii) Construction Loan proceeds are used only for the intended purpose and are advanced only in accordance with the plan of construction; (iv) advances and disbursements are supported by adequate documentation, including inspection reports done upon completion of the paid for improvements and detailed invoices documenting materials provided and work performed; and (v) interest payments on the Construction Loans are not funded from the proceeds of such Construction Loans or from any other loans made by the Association to the same borrower or entity controlled by such borrower.

## 2.5. Officer and Director Expenses

A. Restriction of Payment of Expenses. Until such time as the Association submits to and obtains the written non-objection of the Regional Director to the policies and procedures required by Section 2.5(B), the Association shall not directly or indirectly make any purchase of or payment for an item or service intended for the benefit of any Officer or Director that does not have an immediate, direct relationship to the performance of such Director's or Officer's duties, excluding the payment of salary, Director fees or fringe benefits customarily available to all Employees, without obtaining the prior written notice of non-objection from the Regional Director; except that expenses of \$500 or less incurred for educational purposes (including travel costs) shall not require the written notice of non-objection of the Regional Director.

B. Policy and Procedures. Within thirty (30) days of the Effective Date, if, and to the extent that it has not already done so, the Board shall adopt, implement and submit to the Regional Director for non-objection, a policy and procedures regarding the payment of expenses incurred by Officers and Directors which addresses all of the comments appearing on Pages 5-6 and A.1.1 of the 1992 Report of Examination and which, at a minimum, shall contain the following:

- (1) A statement indicating that all expenses paid for or reimbursed by the Association must have a

business justification and that the individual incurring the expense has the burden of demonstrating the business purpose.

- (2) An itemization of the types of expenses and related business purposes that are deemed appropriate by the Board.
- (3) Overall limits on the amounts that may be incurred by each Officer and Director per month.
- (4) A requirement that no payment/reimbursement for expenses exceeding \$100 will be made unless the expenses are authorized in advance.
- (5) A specification that only individuals who are higher in rank than the Employee who incurred the expense may approve payment/reimbursement by the Association. The Board shall designate individuals who may approve payments for business expenses on behalf of the Association. For the Chief Executive Officer, the Chairman of the Board (or his designee) shall be so designated.
- (6) Maintenance of all applicable documentation.
- (7) Review by the Board of all business expenses on a monthly basis, documented in the Board minutes.

C. Remedial Action. If and to the extent that the Board has not already done so prior to the Effective Date, the Board shall immediately initiate efforts to cause Mr. Richard Loeffler to reimburse the Association in the amount of \$18,974.97. The Association shall submit to the OTS within thirty (30) days of the Effective Date, written evidence of the actions it has taken or proposes to take in order to comply with the provisions of this Section 2.5.

## 2.6. Interest Rate Risk Management.

A. Policy and Procedures. If, and to the extent that it has not already done so, within thirty (30) days of the Effective Date, the Board shall develop, adopt and implement an interest rate risk management policy and procedures which are consistent with OTS Regulations 12 C.F.R. §§563.17 and 571.3 and OTS Thrift Bulletins Nos. 13, 13-1 and 13-2. The policy shall at a minimum provide for: (i) the accurate measuring and monitoring of interest rate risk; (ii) the assessment of the impact of varying interest rate scenarios on the market value of portfolio equity and net interest income; (iii) goals, strategies and timetables for reducing the Association's interest rate risk exposure; and (iv) a prudent limit on the amount of acceptable maximum change in the market value of portfolio equity and in net interest income as a result of possible changes in market interest rates.

B. Review. The Board shall create a committee comprised of directors and management with expertise in the area of interest rate risk management whose purpose shall be to monitor the Association's interest rate risk exposure. Management shall prepare a report on a quarterly basis comparing actual interest rate risk exposure to the limits approved by the Board pursuant to Section 2.6(A) and the degree of compliance of the Association with the policy. Such report shall be reviewed by this committee, the review documented in its minutes and its findings submitted to and reviewed by the Board on a quarterly basis, at a minimum.

## 2.7. Loan Monitoring and Establishment of Allowances.

A. Within thirty (30) days of the Effective Date, the Association shall adopt or modify, as the case may be, and implement a comprehensive portfolio asset review and classification policy which shall comply with the provisions of 12 C.F.R. §§563.160 and 571.26. Such policy shall at a minimum ensure: (i) the identification of problem assets and where appropriate, the classification of such assets; (ii) the proper reporting of the level of asset classifications; (iii) adequate valuation allowances to reflect credit risk in its portfolio; (iv) the obtaining of updated financial statements; (v) and for income producing properties, property rent rolls, operating statements, occupancy levels, leases and related documentation. Management shall document and report to the Board, at least quarterly, its efforts to obtain the documentation provided for in paragraph (iv) of this Section 2.7(A).

B. At least quarterly, beginning with the first quarter following the Effective Date, the Association shall calculate the net realizable value for all problem assets, excluding assets which are 1-4 family owner occupied loans and all loans less than or equal to \$150,000, in order to determine the adequacy of valuation allowances for the purposes of Section 2.7(A); except that in the event that the OTS adopts regulations which provide for a different method of calculation, the Association shall use the method of calculation specified in such regulation(s).

## III. BOARD OF DIRECTORS

### 3.1. Compliance with Agreement.

A. The Board and Executive Officers of the Association shall take immediate action to cause the Association to comply with the terms of this Agreement and shall take all actions necessary or appropriate thereafter to cause the Association to continue to carry out the provisions of this Agreement.

B. The Board, on a quarterly basis, shall adopt a Board Resolution (the "Compliance Resolution") formally resolving that,

following a diligent inquiry of relevant information (including reports of management), to the best of its knowledge and belief, during the immediately preceding calendar quarter, the Association has complied with each provision of this Agreement currently in effect, except as otherwise stated. The Compliance Resolution shall: (i) specify in detail how, if at all, full compliance was found not to exist, and (ii) identify all notices of exemption issued by the Regional Director that were outstanding as of the date of its adoption.

C. The minutes of the meeting of the Board shall set forth the following information with respect to the adoption of each Compliance Resolution: (i) the identity of each Director voting in favor of its adoption; and (ii) the identity of each Director voting in opposition to its adoption or abstaining from voting thereon, setting forth each such Director's reasoning for opposing or abstaining.

D. No later than the 25th Business Day of the month following the end of a calendar quarter, beginning with the end of the first calendar quarter following the Effective Date, the Association shall provide to the Regional Director a certified true copy of the Compliance Resolutions adopted at the Board meeting in such calendar quarter. The Board, by virtue of the Association's submission of a certified true copy of each such Compliance Resolution to the Regional Director, shall be deemed to have certified to the accuracy of the statements set forth in each Compliance Resolution, except as provided below. In the event that one or more Directors do not agree with the representations set forth in a Compliance Resolution, such disagreement shall be noted in the minutes of the Association.

### 3.2. Information Submitted to Board.

Each member of the Board of Directors, as part of the performance of his or her duty of care, shall become familiar with the contents of the Director Information Guidelines, published by OTS in December, 1989 and shall obtain and consider the kinds of information set forth therein which is applicable to the performance of his or her duties as a Director of the Association.

## **IV. MISCELLANEOUS**

### 4.1. Definitions:

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires: (a) the terms used in this Agreement have the meanings assigned to them in this Section 4.1 and include the plural as well as the singular; (b) all accounting terms not otherwise defined have the meanings assigned to them in accordance with generally accepted accounting principles in the United States, except that if such terms are defined in the Rules and Regulations of the OTS, such regulatory definitions shall be controlling; (c) all terms not otherwise defined herein that are

defined in the HOLA, the FDIA, FDICIA, the Rules and Regulations of the OTS or its publicly available bulletins and Advisory Memoranda shall have the meanings assigned to them in such statutes, Rules and Regulations, Bulletins, and Advisory Memoranda; and (d) all technical words or terms not subject to a definition in this Agreement shall have the meanings that accord with the best custom and usage in the thrift and banking industries.

"Advisory Memoranda" refers to inter alia, R Memoranda and T Memoranda issued by the staff (or agents) of the OTS (or its predecessors in interest).

"Board Resolution" means a resolution duly adopted by the Board at a duly called and held meeting of the Board (or a Committee thereof) at which a quorum was present.

"Business Day" means any weekday excluding Federal holidays.

"Construction Loans" means any loan(s), the proceeds of which are used to acquire land, or acquire, improve, construct and/or rehabilitate residential or commercial property, which is secured by real property other than by a one-to-four family home which is to be occupied by the borrower.

"Director" shall mean any current or former member of the Association's Board of Directors.

"Employee" shall mean any individual currently or formerly employed by the Association who is not an Executive Officer.

"Executive Officer" shall have the meaning set forth in Section 215.2(d) of the Federal Reserve Board Rules and Regulations, 12 C.F.R. § 215.2(d). In addition, the term shall include all individuals who previously served in that capacity. The Association shall immediately notify the Regional Director of any change in the composition of its Executive Officers.

"FDICIA" means the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. No. 102-242, 105 Stat. 2236.

"FDIA" means the Federal Deposit Insurance Act, as amended.

"FIRREA" means the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183.

"HOLA" means the Home Owners' Loan Act, as amended, 12 U.S.C. §§ 1461 et seq.

"Institution-affiliated party" shall have the meaning set forth in Section 3(u) of the FDIA, 12 U.S.C. §1813(u).

"Make" means (i) in the context of making a loan, to enter into a binding obligation (whether or not memorialized in writing) to provide loan funds; and (ii) the obtaining of a lender's interest in a pre-existing debt whether through a purchase, swap, or otherwise.

"Officer" shall have the meaning set forth in Section 561.35 of the OTS Regulations, 12 C.F.R. § 561.35.

"OTS" refers to the Office of Thrift Supervision, United States Department of the Treasury, or its successor.

"Regional Director" or his successor is the "senior supervisory official" within the meaning of Section 723(d) of the FIRREA, and refers to the Regional Director of the Northeast Region of OTS. All references to the Regional Director shall include the Regional Director and/or his designee(s).

"Savings Association" shall have the meaning set forth in Section 2(4) of the HOLA, 12 U.S.C. § 1462(4).

"State" means the state of New Jersey..

"Subsidiary" or "subsidiaries" shall have the meaning set forth in Section 567.1(dd) of the OTS Regulations, and subsidiaries of such entities.

"Total Assets" shall have the meaning set forth in Section 567.1(ff) of the OTS Regulations.

#### 4.2. Successor Statutes, Regulations, Guidance, Amendments.

Reference in this Agreement to provisions of statutes, regulations, and OTS Memoranda 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.

#### 4.3. Notices.

A. Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Agreement to be made upon, given or furnished to, delivered to, or filed with:

(1) the OTS by the Association, 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, 10 Exchange Place, Jersey City, New Jersey 07302 or telecopied to (201) 413-7543 and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.

(2) the Association 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 Association at 4200 Bergenline Avenue, Union City, New Jersey 07087 or telecopied to

(201) 319-1395 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.

#### 4.4. Duration, Termination or Suspension of Agreement.

A. This Agreement shall remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director or the Regional Director (including any authorized designee thereof).

B. The Regional Director in his or her sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

#### 4.5. Effect of Headings.

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

#### 4.6. Separability Clause.

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.

#### 4.7. No Violations of Law, Rule, Regulation or Policy Statement Authorized; OTS Not Restricted; FDICIA Controlling.

A. Nothing in this Agreement shall be construed as: (i) allowing the Association to violate any law, rule, regulation, or policy statement to which it is subject or (ii) restricting, in any way, the OTS from taking any action(s) that it believes are appropriate in fulfilling the responsibilities placed upon it by law.

B. To the extent that any provision of FDICIA or any regulation(s) promulgated thereunder imposes more restrictive requirements than any provision contained in this Agreement (either expressly or through OTS interpretive Bulletins or policy statements), such provision(s) of the FDICIA or such regulation(s) shall be controlling.

C. As an Association chartered under State law and subject to regulation and supervision by a State regulatory authority, the

Association may be subject to various restrictions imposed by the appropriate State regulatory authority. The Association must continue to comply with any such restrictions, notwithstanding the receipt by the Association of authorizations or notices of non-objection of the Regional Director, except to the extent that such restrictions have been deemed to be pre-empted by Federal law.

4.8. Successors in Interest/Benefit.

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, express or implied, shall give to any person or entity, other than the parties hereto, the Resolution Trust Corporation, and the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

4.9. Signature of Directors.

Each Director signing the Agreement attests, by such act, that she or he, as the case may be, voted in favor of the resolution, in the form attached to this Agreement, authorizing the execution of this Agreement by the Association.

4.10. Enforceability of Agreement.

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. The Association 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.

4.11. Conflicts with Other Agreements.

In the event of any conflict between this Agreement and other prior written agreements and understandings (including, but not limited to, letters dated June 13, 1988 and March 18, 1992), the terms and conditions of this Agreement shall be controlling, unless the Regional Director, in his sole discretion, decides otherwise.

IN WITNESS WHEREOF, the OTS, acting by and through the Regional Director and the Association, in accordance with a duly adopted resolution of its Board (copy attached hereto), hereby execute this Agreement as of the Effective Date.

OFFICE OF THRIFT SUPERVISION

THE ASSOCIATION

By:

By:

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Name: Robert C. Albanese  
Title: Regional Deputy Director

Name: \_\_\_\_\_  
Chief Executive Officer

Director /s/

FORM OF  
CERTIFIED COPY OF  
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly appointed and qualified Secretary of Union City Savings Bank, SLA (the "Association") hereby certify as follows:

1. A duly called meeting of the Board of Directors of the Association was held on March 9, \_\_\_\_\_, 1993;
2. At said meeting a quorum was present and voting throughout;
3. The following is a true copy of resolutions duly adopted by the Association's Board of Directors, which resolutions have not been rescinded or modified and are now in full force and effect:

WHEREAS, the Board of Directors of the Association wishes to cooperate with the OTS and to demonstrate that said Board and the Association have the intent and ability to: (1) comply with all applicable laws and regulations and (2) engage in safe and sound practices; and

WHEREAS the Directors of the Association have read and considered the proposed Supervisory Agreement ("Agreement") which shall be attached to the minutes of this meeting; and

WHEREAS after due consideration, the Directors of the Association have determined to cause the Association to enter into the proposed Agreement which is in the best interest of the Association;

NOW THEREFORE, BE IT RESOLVED, that the Association be and it hereby is authorized to enter into the Agreement in the form attached to the minutes of the meeting,

FURTHER RESOLVED, that the execution and delivery of, and performance of all of the provisions of the Agreement be, and they hereby are, authorized and approved,

FURTHER RESOLVED, that the Directors and Officers of the Association be, and they hereby are, authorized and directed to execute and deliver the Agreement and to take all steps necessary or appropriate to implement the terms of the Agreement and to cause the Association to comply in all respects with the terms of the Agreement.

4. All members of the Board of Directors were present and voted at the meeting (except Gerard H. Fischer) and all members of the Board of Directors (except none) voted in favor of the resolution;

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of the Association on this 9th day of March, 1993.

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Name:  
Harold E. Azmelian, Chairman of the Board  
Title:

(SEAL)

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P 617 916 011



**Certified Mail Receipt**  
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P.O. State & ZIP Code <i>Union City, NJ 07087</i>	
Postage	<i>\$ 98</i>
Certified Fee	<i>700</i>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt, Showing to Whom & Date Delivered	<i>100</i>
Return Receipt, Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	<i>\$298</i>
Postmark or Date	

PS Form 3800 June 1990