

## SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 9<sup>th</sup> day of March, 1993 (the "Effective Date"), by and between Eugene T. Fontana ("Fontana"), a member of the board of directors of Spencer Savings Bank, SLA ("Association"), Garfield, 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 Association is a "savings association" within the meaning of Section 3 of the Federal Deposit Insurance Act ("FDIA") and Section 2 of the Home Owners' Loan Act of 1933 ("HOLA"), each as amended, and accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. §1813(c); and

WHEREAS, Fontana, a member of the Association's board of directors and the Association's former appraiser and having served in such capacities within 6 years of the date hereof, is an "institution-affiliated party", Sections 3(u) and 8(i)(3) of the FDIA, 12 U.S.C. §§1813(u) and 1818(i)(3); and

WHEREAS, pursuant to Section 3 of the FDIA, as amended, the OTS is the "appropriate Federal banking agency" to maintain an enforcement action or proceeding against such the Association and/or its institution-affiliated parties and therefore, Fontana is subject to the authority of the OTS to initiate and maintain a proceeding against him pursuant to Section 8 of the FDIA, 12 U.S.C. §§1818 and pursuant to Part 513 of the OTS Regulations, 12 C.F.R. Part 513; and

WHEREAS, the OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate administrative proceedings against Fontana pursuant to Section 8 of the FDIA, 12 U.S.C. §1818 and pursuant to Part 513 of the OTS Regulations, 12 C.F.R. Part 513; and

WHEREAS, Fontana desires to cooperate with the OTS to avoid the time and expense of administrative litigation and, without admitting or denying that grounds exist to initiate administrative proceedings against him pursuant to Section 8 of the FDIA, 12 U.S.C. §1818 or pursuant to Part 513 of the OTS Regulations, 12 C.F.R. Part 513, hereby stipulates and agrees to the terms of the within Agreement, and to comply therewith; and

WHEREAS, Fontana represents, warrants, and confirms that the only, whether directly or indirectly, consideration, compensation, payment, or other form of remuneration that he received in connection with or on account of appraisals performed for the Association were those fees paid to him by the Association ; and

WHEREAS, OTS, on account of Fontana's representations and warranties and on account of his stipulation and agreement to the terms of the within Agreement and to comply therewith, will not undertake to initiate any enforcement action or proceeding against him with regard to appraisals prepared by him for the Association; and

WHEREAS, Fontana acknowledges and agrees that his participation in this Agreement does not resolve, compromise, settle, dismiss, or in any way affect or preclude any other civil or criminal proceeding, or his Fontana's liability with respect thereto, which may be brought against him by any other governmental entity or the Resolution Trust Corporation; and

WHEREAS, OTS and Fontana agree to the following terms:

1. Fontana, or before the Effective Date hereof, shall deliver in writing, a copy thereof to be submitted simultaneously to OTS, and in irrevocable form and substance, notice of his retirement from the board of directors of the Association, said retirement to be effective on the occasion of his 70th birthday (July 24, 1993),

2. Fontana shall not, directly or indirectly, engage in the preparation of any appraisal report, statement, estimate, or opinion, whether written or oral, for the benefit of or on behalf of any Federally regulated depository institution or any holding company, subsidiary, or service corporation thereof or any of the other entities that are enumerated or described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. §1818(e)(7)(A) or any holding company, subsidiary, or service corporation thereof, and

3. Fontana shall cooperate in any examination, inquiry, investigation, or enforcement proceeding conducted by any Federal banking agency by providing information, documents, and testimony if, and as, requested to do so by any such Federal banking agency, and

4. 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; and

NOW THEREFORE, in consideration of the foregoing and intending to be

legally bound hereby, the OTS (acting by and through the undersigned) and Eugene T. Fontana execute this Agreement as of the date written above.

OFFICE OF THRIFT SUPERVISION

15/

---

Angelo A. Vigna  
Regional Director

15/

---

Eugene T. Fontana