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SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 23rd day of February, 1994 (the "Effective Date"), by and between Edge Partners L.P., a Delaware limited partnership ("Edge"), Charles H. Jones, Jr. ("Jones"), and the Office of Thrift Supervision ("OTS"), an office within the United States Department of the Treasury, acting through its Regional Director for the Southeast Region or his designee ("Regional Director"). For purposes of this Agreement, the terms "Edge" and "Jones" shall include any corporate or partnership entities that own shares of stock in Seaboard Bancorp, Inc. ("Seaboard" or "Company") or Seaboard Savings Bank, F.S.B., Virginia Beach, Virginia, OTS No. 7596 ("Seaboard Savings" or "Institution") and that are themselves owned or controlled by Edge Partners L.P. or Charles H. Jones.

WHEREAS, based upon information available to it in its capacity as the primary federal regulator of Seaboard Savings, the OTS is of the opinion that Edge and Jones have engaged in acts and practices that have resulted in violations of certain of the laws or regulations to which Edge, Jones, Company and the Institution are subject; and

WHEREAS, on the basis of the violations, the OTS is of the opinion that grounds exist for the initiation of administrative proceedings against Edge and Jones, pursuant to 12 U.S.C. § 1817(j)¹; and

WHEREAS, Edge and Jones have filed with the OTS a rebuttal of control submission; and

WHEREAS, Edge and Jones are willing to enter into this Agreement, without admitting or denying any violations of laws or regulations, in order to cooperate with the OTS and to evidence their intent to comply with all applicable laws and regulations.

NOW THEREFORE, in consideration of the premises stated above, the parties hereto agree as follows:

1. Edge and Jones shall comply with the provisions of Section 7(j) of the FDIA, 12 U.S.C. §1817(j), and 12 C.F.R. Part 574 (1993).
2. Edge and Jones shall not, as of the Effective Date of this Agreement, increase their ownership in any class of voting securities of Seaboard or Seaboard Savings, except upon receipt from the OTS of prior written notice of the acceptance of a rebuttal of control submission filed pursuant to 12 C.F.R. § 574.4(e). Any increase in Edge or Jones' ownership of Seaboard or Seaboard Savings' stock undertaken upon receipt of the OTS' written notice of

1. All references to the U.S.C. are as amended.

acceptance of their rebuttal of control, shall be consistent with all conditions or requirements included therein.

3. If the OTS determines that the rebuttal of control submission currently pending with this office is unacceptable, Edge and Jones shall, within 30 days after receiving written notice of such determination, sell or otherwise divest of a sufficient number of shares of the stock of Seaboard or Seaboard Savings such that the remaining number of shares owned or controlled, directly or indirectly, by Edge and Jones does not exceed 9.99 percent of the the total outstanding common stock of Seaboard or Seaboard Savings.

SUCCESSOR STATUTES, REGULATIONS, GUIDANCE, AMENDMENTS

4. Reference in this Agreement to provisions of statutes, regulations, and OTS Memoranda, bulletins and publications shall include references to all amendments to such provisions as have been made as of the Effective Date of this Agreement and references to successor provisions as they become applicable.

NOTICES

5. (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:
 - (i) the OTS by Edge and Jones, 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 for the Southeast Region, Office of Thrift Supervision, Department of the Treasury, 1475 Peachtree Street, N.E., Atlanta, Georgia 30309 or telecopied to (404)888-5634 and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.
 - (ii) Edge and Jones 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 in care of Edge Partners L.P., 1129 Broad Street, Shrewsbury, New Jersey 07702, and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above addresses.

Charles H. Jones
Seaboard Savings Bank, F.S.B.
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- (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, 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.

DURATION, TERMINATION OR SUSPENSION OF AGREEMENT

6. The provisions of this Agreement shall remain in effect until terminated, modified or suspended in writing by the OTS, acting through the Regional Director. The Regional Director in his sole discretion may, by written notice, terminate and/or suspend any or all provisions of this Agreement.

EFFECT OF HEADINGS

7. The section headings used in this Agreement are for convenience of reference only and are not to affect the construction of or be taken into consideration in the interpretation of this Agreement.

SEPARABILITY CLAUSE

8. In the event that 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 sole discretion determines otherwise.

NO VIOLATIONS OF LAW, RULE, REGULATION OR POLICY STATEMENT AUTHORIZED; OTS NOT RESTRICTED

9. Nothing in this Agreement shall be construed as:
- (a) allowing Edge or Jones to violate any law, rule, regulation, or policy statement to which Edge or Jones are subject, or
 - (b) restricting, in any way, the OTS from taking any action that it believes is appropriate in fulfilling the responsibilities placed upon it by law.

SUCCESSORS IN INTEREST/BENEFIT

10. 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

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and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

TIME LIMITS

11. Any time limitations imposed by this Agreement shall begin to run from the Effective Date of the Agreement, unless otherwise provided for in the Agreement. Such time limitations may be extended by the Regional Director in his sole discretion upon written application by Edge and Jones.

DEFINITIONS

12. All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by the provisions of the Agreement shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations. Any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations shall have meanings that accord with the best custom and usage in the savings and loan industry.

INTEGRATION CLAUSE; MODIFICATION

13. This Agreement represents the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date, with respect to such subject matter. This Agreement may not be amended except by a written modification agreement duly executed by the parties hereto.

WRITTEN AGREEMENT WITH THE AGENCY

14. This Agreement has been duly authorized, executed and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of Edge Partners L.P. and Charles H. Jones. It is understood and agreed that this Agreement is a "written agreement entered into with the agency" as that phrase is used in Section 8(b) of the FDIA, 12 U.S.C. §1818(b).

IN WITNESS WHEREOF, the OTS, acting through the Regional Director, Edge and Jones have executed this Agreement on the date first above written.

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Charles H. Jones, Jr.

OFFICE OF THRIFT SUPERVISION

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Edge Partners L.P.

By:

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Richard Riccobono
Acting Regional Director

By its: Managing Partner