

3. Consent. The Association, without admitting or denying that grounds exist for the initiation of administrative cease and desist proceedings, consents to the issuance by the OTS of the accompanying Amended Order. It further agrees to comply with the terms of the Amended Order upon issuance and stipulates that the Amended Order complies with all requirements of law.

4. Finality. The Amended Order is issued under Section 8(b) of the FDIA. Upon its issuance by the Regional Director for the Northeast Regional Office, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. The Association waives its right to (i) a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA and to (ii) seek judicial review of the Amended Order, including any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Amended Order.

6. Signature of Directors. Each Director signing this Stipulation attests that s/he voted in favor of the resolution authorizing the execution of the Stipulation.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Regional Director for the Northeast Regional Office, OTS, and the Association execute this Stipulation and Consent to Issuance of Addendum to Order to Cease and Desist.

OFFICE OF THE THRIFT SUPERVISION

By: _____

/s/

Angelo A. Vigna
Regional Director
Northeast Regional Office

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)
First Dewitt Savings and) Re: Northeast Regional Director
Loan Association) Resolution No. NE92- 102
West Caldwell, New Jersey,)
its Directors, Officers,)
Employees and Subsidiaries) Dated: December 22, 1992

ADDENDUM TO ORDER TO CEASE AND DESIST

WHEREAS, the OTS issued an Order to Cease and Desist ("Order") to First Dewitt Savings and Loan Association of West Caldwell, New Jersey ("First Dewitt" or the "Association") on June 1, 1992; and

WHEREAS, the OTS has determined that it is necessary to issue an addendum to the Order, based on the results of the Formal Examination pursuant to Resolution No. East 91-5; and

WHEREAS, First Dewitt, through its board of directors ("Board"), has executed a Stipulation and Consent to Issuance of Addendum to Order to Cease and Desist, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Regional Director for the Northeast Regional Office as of the date indicated above ("Effective Date"); and

WHEREAS, First Dewitt, in the Stipulation, has consented and agreed to the issuance of this Addendum to Order to Cease and Desist ("Addendum") pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(b);

NOW THEREFORE, IT IS ORDERED that First Dewitt and its directors, officers, employees, agents and subsidiaries shall cease and desist from any violation of, or the aiding and abetting of any violation of:

Sections 23A, and 23B of the Federal Reserve Act, 12 U.S.C. §§ 371c and 371c-1, as applied to savings associations by Section 11 of the Home Owners' Loan Act, 12 U.S.C. §1468 (regarding transactions with affiliates).

IT IS FURTHER ORDERED that First Dewitt undertake the following action to remedy violations of statutes and/or unsafe and unsound practices:

15.01. Board of Directors

Within 30 days of the Effective Date, the Board shall establish a committee, ("Committee") consisting of at least two directors, all of whom are independent, to monitor compliance with laws, regulations, and OTS orders and directives. Said committee shall meet at least quarterly, and shall prepare minutes of its meetings. Where necessary, the Committee shall consult with outside counsel. Said counsel shall not perform any legal services for First State Financial Services, Inc. In addition, said Committee shall comply with Section 112 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (to be codified at 12 U.S.C. §1831(m)) and any regulations promulgated thereunder.

16.01. Board Review of Compliance with Amended Order

(a) The Board of Directors of the Association shall take prompt action to cause the Association to fully comply with the Order and the Addendum (together referred to as the "Amended Order").

(b) Each month, the Board of Directors shall adopt a formal resolution (the "Compliance Resolution") 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 month, the Association has complied with each provision of this Amended Order currently in effect, except as otherwise stated. In determining whether to adopt the Compliance Resolution, the Board shall be entitled to rely reasonably upon reports furnished by management. 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 or other exceptions issued by the Regional Director that were outstanding as of the date of the Compliance Resolution.

(c) No later than five business days after each monthly meeting of the Board of Directors of the Association, the Association shall provide to the Regional Director a certified true copy of each such Compliance Resolution for the preceding month.

The Board of Directors of the Association, 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. 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 meeting.

MISCELLANEOUS PROVISIONS

17.01. Incorporation of Stipulation

The Stipulation is made a part hereof and is incorporated herein by this reference.

18.01. Effect of Prior Order

All other provisions of the Cease and Desist Order issued on June 1, 1992 (including, without limitation, all defined terms) are unaffected by this Addendum and remain in full force and effect.

19.01. Successor Statutes, Regulations, Guidance, Amendments.

Reference 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.

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

(a) Nothing in the Amended Order 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 the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. No. 102-242, 105 Stat. 2236 (December 19, 1991) ("FDICIA") or any regulation(s) promulgated thereunder imposes more restrictive requirements than any provision contained in the Amended Order (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.

21.01. Effective Date of Addendum.

The Addendum is effective and enforceable immediately upon the date of its issuance by the OTS ("Effective Date"), which date is set forth below.

IT IS SO ORDERED on this 22 day of December, 1992.

THE OFFICE OF THRIFT SUPERVISION
By:

 /s/

Angelo A. Vigna,
Regional Director, Northeast Region