

OFFICE OF THRIFT SUPERVISION
APPROVAL OF APPLICATIONS FOR PERMISSION TO ORGANIZE
A FEDERAL SAVINGS BANK AND HOLDING COMPANY ACQUISITION

Order No.: 2000-49

Date: June 16, 2000

CBHC Financialcorp, Inc., Egg Harbor City, New Jersey (the Holding Company), has applied to the Office of Thrift Supervision (the OTS), pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e) and 12 C.F.R. §§ 552.2-1 and 574.3, to organize and acquire Cooperative Bank, Egg Harbor City, New Jersey (the Savings Bank), a federal stock savings bank with its home office in Egg Harbor City and a branch office in Hammonton, New Jersey (the Applications). The Savings Bank will be a member of the Savings Association Insurance Fund.

The OTS has considered the Applications under the factors set forth in 12 U.S.C. §§ 1464(e) and 1467a(e) and 12 C.F.R. §§ 543.3, 552.2-1, 556.5 and 574.7, and other applicable statutes and regulations. The OTS also has considered the Applications under the Community Reinvestment Act (the "CRA"), 12 U.S.C. § 2901 *et seq.*, and the OTS regulations thereunder at 12 C.F.R. Part 563e. The OTS has considered analyses prepared by the Office of Examination and Supervision and the Northeast Regional Office ("Regional Office"), and a legal opinion from the Business Transactions Division (collectively, the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, the OTS finds that the Applications satisfy the applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee ("Regional Director"). Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The proposed transaction must be consummated within one hundred twenty (120) calendar days from the date of this Order;
2. The Savings Bank and the Holding Company must receive all required regulatory approvals prior to the establishment of the Savings Bank with copies of all such approvals provided to the Regional Director;
3. At least 20 days prior to the Savings Bank opening for business, the Holding Company must provide to the Regional Director a list of the stockholders of the Holding Company, including names, addresses, number of shares, and percentage of total shares, and the total amount sold in the offering. Any individuals presumed to be acting in concert pursuant to 12 C.F.R. Section 574.4 must also be listed and all relationships disclosed;

4. Prior to opening for business, the Savings Bank must submit a copy of any proposed agreement with a data processing service provider for review and nonobjection by the Regional Office;
5. During the first two years of operation, prior to appointing any senior officers not named in the Application materials, the Applicant and Savings Bank must provide background information to, and receive the written nonobjection of, the Regional Director;
6. The Savings Bank must submit the employment contract covering the proposed chief executive officer for review and receive the written nonobjection of the Regional Office;
7. Any stock option plans or agreements that are to be implemented by the Applicant or the Savings Bank during the first year of operation of either entity must be submitted for shareholder approval after receiving the written nonobjection of the Regional Office;
8. On the business day prior to opening for business, the Holding Company must certify in writing to the Regional Director that no material adverse changes have occurred with respect to the financial condition or operation of the Holding Company or the Savings Bank, respectively, as disclosed in the Applications, including but not limited to directors, major shareholders, or the business plan. If additional information having an adverse bearing on any feature of the Application is brought to the attention of the Applicant, the Savings Bank or the OTS since the date of the financial statements submitted with the Application, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;
9. No later than five days from the date the Savings Bank opens for business, it must file with the Regional Office a certification by legal counsel stating the effective date of the Savings Bank's insurance of accounts and its opening, and that the completion of the establishment of the Savings Bank was consummated in accordance with all applicable laws and regulations, the Application and this Order;
10. No later than five days from the date the Savings Bank opens for business, the chief financial officer must provide to the Regional Director a reconciliation of capital for both the Savings Bank and the Holding Company;
11. The Savings Bank must operate within the parameters of its business plan. The Applicant and the Savings Bank must submit any proposed major deviations or material changes from the plan (including changes resulting from decisions made by the Applicant) for the prior, written non-objection of the Regional Director. The request for change must be submitted a minimum of 60 calendar days before

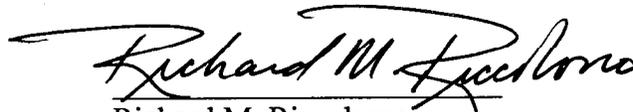
the proposed change is implemented, with a copy sent to the FDIC Regional Office;

12. The Savings Bank must submit independent audit reports to the Regional Director for its first three fiscal years. These reports must comply with the audit rules set forth in 12 C.F.R. § 562.4; and,

13. OTS must receive FBI clearance on each of the organizers prior to consummation of the proposed transactions.

By order of the Director of the Office of Thrift Supervision, or her designee, effective

June 16th 2000



Richard M. Riccobono

Deputy Director