Exhibit 1.2  
 PEOPLES BANCORP, INC.  
  
 Up to 35,707,500 Shares  
  
 COMMON STOCK  
 ($.10 Par Value)  
  
 Subscription Price $10.00 Per Share  
  
 AGENCY AGREEMENT  
  
  
 February \_\_, 1998  
  
  
Friedman, Billings, Xxxxxx & Co., Inc.  
0000 Xxxxxxxxxx Xxxxxx Xxxxx  
Xxxxxxxxx, Xxxxxxxx 00000  
  
Ladies and Gentlemen:  
  
 Peoples Bancorp, Inc., a Delaware corporation (the "Company"), Peoples  
Bancorp, M.H.C. (the "MHC"), Peoples Bancorp, Inc., a federal corporation (the  
"Mid-Tier Holding Company"), and Trenton Savings Bank, FSB, Trenton, New Jersey,  
a federal stock savings bank (the "Bank"), with its deposit accounts insured by  
the Savings Association Insurance Fund ("SAIF") administered by the Federal  
Deposit Insurance Corporation ("FDIC"), hereby confirm their agreement with  
Friedman, Billings, Xxxxxx & Co., Inc. (the "Agent") as follows (defined terms  
used herein shall have the same definition given in the Prospectus dated  
February \_\_, 1998 unless otherwise defined herein):  
  
 Section 1. The Offering. The Bank will establish the Company as a  
first-tier Delaware chartered corporation subsidiary; (ii) the Company will  
charter an interim federal association ("Interim"); (iii) the MHC will merge  
with and into the Mid-Tier Holding Company, shares of Mid-Tier Common Stock held  
by the MHC will be canceled and certain depositors of the Bank will receive an  
interest in a liquidation account of the Mid-Tier Holding Company in exchange  
for such persons' interest in the MHC; (iv) the Mid-Tier Holding Company will  
merge with and into the Bank (the "Mid-Tier Merger") with the Bank as the  
resulting entity and stockholders of the Mid-Tier Holding Company other than the  
MHC ("Minority Stockholders") will constructively receive shares of Bank Common  
Stock in exchange for their Mid-Tier Common Stock and each Eligible Account  
Holder and Supplemental Eligible Account Holder will receive an interest in a  
Liquidation Account of the Bank in exchange for such person's interest in the  
Mid-Tier Holding Company; (v) contemporaneously with the Mid-Tier Merger,  
Interim will merge with and into the Bank with the Bank as the surviving entity  
(the "Bank Merger") and Minority Stockholders will exchange the shares of  
Company Common Stock that they constructively received in the Mid-Tier Merger  
for the Company's Common Stock (the  
  
  
  
  
  
  
"Exchange") pursuant to the "Exchange Ratio" as defined in the Prospectus  
("Exchange Stock"); and (vi) contemporaneously with the Bank Merger, the Company  
will offer for sale shares of common stock in a subscription offering.  
  
 Pursuant to the Plan and in connection with the Conversion, the Company  
is offering up to 20,241,600 shares of its common stock (the "Conversion Stock")  
in a subscription and community offering (the "Offerings"). Conversion Stock is  
first being offered in a subscription offering with nontransferable subscription  
rights being granted, in the following order of priority, to (i) depositors of  
the Bank with account balances of $50.00 or more as of the close of business on  
August 31, 1996 ("Eligible Account Holders"); (ii) the Bank's ESOP; (iii)  
depositors of the Bank with account balances of $50.00 or more as of the close  
of business on December 31, 1997 ("Supplemental Eligible Account Holders"); and  
(iv) depositors of the Bank as of the close of business on January \_\_\_, 1998  
(other than Eligible Account Holders and Supplemental Eligible Account Holders)  
("Other Members"). Subscription rights will expire if not exercised by \_\_\_\_\_  
p.m., local time, on March \_\_\_, 1998, unless extended.  
  
 Subject to the prior rights of holders of subscription rights,  
Conversion Stock not subscribed for in the Subscription Offering is being  
offered for sale in a concurrent community offering (the "Community Offering")  
to certain members of the general public with preference given to stockholders  
of the Mid-Tier Holding Company, other than the Mutual Holding Company ("Public  
Stockholders") and then to natural persons residing in the New Jersey Counties  
of Burlington, Xxxxxx and Ocean (the "Communities"). The Primary Parties reserve  
the absolute right to reject or accept any orders in the Community Offering in  
whole or in part, either at the time of receipt of an order or as soon as  
practicable following the Expiration Date.  
  
 The Company has filed with the Securities and Exchange Commission (the  
"Commission") a registration statement on Form S-1 (File No. 333-\_\_\_\_\_\_\_) (the  
"Registration Statement") containing a prospectus relating to the Offerings and  
the Exchange for the registration of the Exchange Stock and Conversion Stock  
(collectively, the "Shares") under the Securities Act of 1933 (the "1933 Act"),  
and has filed such amendments thereof, if any, and such amended prospectuses as  
may have been required to the date hereof. The prospectus, as amended, on file  
with the Commission at the time the Registration Statement initially became  
effective is hereinafter called the "Prospectus," except that if any prospectus  
is filed by the Company pursuant to Rule 424(b) or (c) of the rules and  
regulations of the Commission under the 1933 Act (the "1933 Act Regulations")  
differing from the prospectus on file at the time the Registration Statement  
initially becomes effective, the term "Prospectus" shall refer to the prospectus  
filed pursuant to Rule 424(b) or (c) from and after the time said prospectus is  
filed with the Commission.  
  
 In accordance with the regulations of the Office of Thrift Supervision  
("OTS") governing the conversions of savings associations (the "Conversion  
Regulations"), the MHC has filed with the OTS an Application for Conversion on  
Form AC (the "Conversion Application"), including the prospectus, and has filed  
such amendments thereto, if any, as may have been required by the OTS. The  
Conversion Application has been approved by the OTS and the related Prospectus  
  
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has been authorized for use by the OTS. The Company has also filed an  
Application H-(e)1-S ("Holding Company Application") with the OTS to become the  
saving and loan holding company of the Bank, which has been approved.  
  
 Section 2. Retention of the Agent; Compensation; Sale and Delivery of  
the Shares. Subject to the terms and conditions herein set forth, the Company,  
the MHC, the Mid-Tier Holding Company, and the Bank hereby appoint the Agent as  
their financial advisor and marketing agent to utilize its best efforts to  
solicit subscriptions for shares of the Company's Common Stock and to advise and  
assist the Company and the Bank with respect to the Company's sale of the  
Conversion Stock and in the areas of market making and research coverage.  
  
 On the basis of the representations, warranties, and agreements herein  
contained, but subject to the terms and conditions herein set forth, the Agent  
accepts such appointment and agrees to consult with and advise the Company, the  
MHC, the Mid-Tier Holding Company, and the Bank as to the matters set forth in  
the letter agreement ("Letter Agreement"), dated October 15, 1997, between the  
Bank and the Agent (a copy of which is attached hereto as Exhibit A). It is  
acknowledged by the Company, the MHC, the Mid-Tier Holding Company, and the Bank  
that the Agent shall not be required to purchase any Shares and shall not be  
obligated to take any action which is inconsistent with all applicable laws,  
regulations, decisions or orders.  
  
 The obligations of the Agent pursuant to this Agreement shall terminate  
upon the completion or termination or abandonment of the Plan by the Company or  
upon termination of the Offerings, but in no event later than 45 days after the  
completion of the Subscription Offering (the "End Date"). All fees or expenses  
due to the Agent but unpaid will be payable to the Agent in next day funds at  
the earlier of the Closing Date (as hereinafter defined) or the End Date. In the  
event the Offerings are extended beyond the End Date, the Company, the MHC, the  
Mid-Tier Holding Company, the Bank and the Agent may agree to renew this  
Agreement under mutually acceptable terms.  
  
 In the event the Company is unable to sell a minimum of 14,961,100  
shares of Conversion Stock within the period herein provided, this Agreement  
shall terminate and the Company shall refund to any persons who have subscribed  
for any of the Conversation Stock, the full amount which it may have received  
from them plus accrued interest as set forth in the Prospectus; and none of the  
parties to this Agreement shall have any obligation to the other parties  
hereunder, except as set forth in this Section 2 and in Sections 6, 8 and 9  
hereof.  
  
 In the event the Offerings are terminated for any reason not  
attributable to the action or inaction of the Agent, the Agent shall be paid the  
fees due to the date of such termination pursuant to subparagraphs (a) and (b)  
below.  
  
 If all conditions precedent to the consummation of the Conversion,  
including, without limitation, the sale of a minimum of number of shares of  
Conversion Stock required by the Plan to be sold, are satisfied, the Company  
agrees to issue, or have issued, the Shares sold in the Offering and the  
Exchange and to release for delivery certificates for such Shares on the Closing  
  
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Date (as hereinafter defined) against payment to the Company or surrender of  
Mid-Tier Holding Company stock certificates by any means authorized by the Plan,  
provided, however, that no funds shall be released to the Company until the  
conditions specified in Section 7 hereof shall have been complied with to the  
reasonable satisfaction of the Agent and their counsel. The release of  
Conversion Stock against payment therefor shall be made on a date and at a place  
acceptable to the Company, the MHC, the Mid-Tier Holding Company, the Bank and  
the Agent (it being understood that such date shall not be more than ten  
business days after the later of the termination of the Offering or receipt of  
all necessary regulatory approvals) or such other time or place as shall be  
agreed upon by the Company, the MHC, the Mid-Tier Holding Company, the Bank and  
the Agent. Certificates for shares shall be delivered directly to the purchasers  
in accordance with their directions. The date upon which the Company shall  
release or deliver the Shares sold in the Offering or issued pursuant to the  
Exchange, in accordance with the terms herein, is called the "Closing Date."  
  
 The Agent shall receive the following compensation for its services  
hereunder:  
  
 (a) A Management Fee to the Agent in the amount of $50,000, of which  
 $25,000 has been paid and of which $25,000 will be paid upon OTS  
 approval of the Plan. Such fees shall be deemed to be earned when  
 due. Should the Conversion be terminated for any reason not  
 attributable to the action or inaction of the Agent, the Agent  
 shall have earned and be entitled to be paid fees accruing  
 through the stage at which point the termination occurred,  
 including any accrued legal fees expanded by the Agent.  
  
 (b) A Marketing Fee of $.75% of the total dollar amount of Conversion  
 Stock sold in the Subscription and Community Offerings not to  
 exceed $1,000,000, payable to the Agent on the Closing Date. No  
 Marketing Fee shall be payable in connection with the sale of  
 Conversion Stock to the ESOP or to the Bank's directors,  
 officers, employees, and such persons immediate family members.  
  
 (c) With respect to paragraphs (a) and (b) above, the total  
 Marketing/Management Fee will not exceed $1,000,000.  
  
 (d) The Bank and the Company hereby agree to reimburse the Agent,  
 from time to time upon the Agent's request, for its reasonable  
 out-of-pocket expenses, including without limitation, accounting,  
 communication, travel expenses, and legal fees and expenses, for  
 amounts not to exceed $70,000. The Bank will bear the expenses of  
 the Offerings customarily borne by issuers including, without  
 limitation, OTS, SEC, "Blue Sky," and NASD filing and  
 registration fees; the fees of the Bank's accountants, conversion  
 agent, data processor, attorneys, appraiser, transfer agent and  
 registrar, printing, mailing and marketing expenses associated  
 with the Conversion; and the fees set forth under this Section 2.  
  
  
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 Full payment of the Agent's actual and accountable expenses, advisory  
fees and compensation shall be made in next day funds on the earlier of the  
Closing Date or a determination by the Bank to terminate or abandon the Plan.  
  
 In the event of an oversubscription or other event, which causes the  
Offerings to continue beyond the original expiration date or a resolicitation of  
subscribers, the parties agree to renegotiate the expense cap on legal fees  
applicable to the Agent.  
  
 Section 3. Prospectus; Offering. The Shares are to be initially offered  
in the Offerings at the Purchase Price or Exchange Ratio as defined and set  
forth on the cover page of the Prospectus.  
  
 Section 4. Representations and Warranties. The Company, the MHC, the  
Mid-Tier Holding Company, and the Bank jointly and severally represent and  
warrant to the Agent on the date hereof as follows:  
  
 (a) The Registration Statement was declared effective by the  
 Commission on February \_\_, 1998. At the time the Registration  
 Statement, including the Prospectus contained therein (including any  
 amendment or supplement thereto), became effective, the Registration  
 Statement complied in all material respects with the requirements of  
 the 1933 Act and the 1933 Act Regulations and the Registration  
 Statement, including the Prospectus contained therein (including any  
 amendment or supplement thereto), and any information regarding the  
 Company or the Bank contained in Sales Information (as such term is  
 defined in Section 8 hereof) authorized by the Company or the Bank for  
 use in connection with the Offerings, did not contain an untrue  
 statement of a material fact or omit to state a material fact required  
 to be stated therein or necessary to make the statements therein, in  
 light of the circumstances under which they were made, not misleading,  
 and at the time any Rule 424(b) or (c) Prospectus was filed with the  
 Commission and at the Closing Date referred to in Section 2, the  
 Registration Statement, including the Prospectus contained therein  
 (including any amendment or supplement thereto), any information  
 regarding the Company or the Bank contained in Sales Information (as  
 such term is defined in Section 8 hereof) authorized by the Company or  
 the Bank for use in connection with the Offerings will not contain an  
 untrue statement of a material fact or omit to state a material fact  
 necessary in order to make the statements therein, in light of the  
 circumstances under which they were made, not misleading; provided,  
 however, that the representations and warranties in this Section 4(a)  
 shall not apply to statements or omissions made in reliance upon and in  
 conformity with written information furnished to the Company or the  
 Bank by the Agent expressly regarding the Agent for use in the  
 Prospectus under the caption "The Conversion-Plan of Distribution and  
 Selling Commissions" or statements in or omissions from any Sales  
 Information or information filed pursuant to state securities or blue  
 sky laws or regulations regarding the Agent.  
  
 (b) The Conversion Application was approved by the OTS on  
 \_\_\_\_\_\_\_\_\_\_ \_\_\_, 1998 and the related Prospectus has been authorized for  
 use by the OTS. At the  
  
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 time of the approval of the Conversion Application, including the  
 Prospectus (including any amendment or supplement thereto), by the OTS  
 and at all times subsequent thereto until the Closing Date, the  
 Conversion Application, including the Prospectus (including any  
 amendment or supplement thereto), will comply in all material respects  
 with the Conversion Regulations except to the extent waived by the OTS.  
 The Conversion Application, including the Prospectus (including any  
 amendment or supplement thereto), does not include any untrue statement  
 of a material fact or omit to state a material fact required to be  
 stated therein or necessary to make the statements therein, in light of  
 the circumstances under which they were made, not misleading; provided,  
 however, that the representations and warranties in this Section 4(b)  
 shall not apply to statements or omissions made in reliance upon and in  
 conformity with written information furnished to the Company, the MHC,  
 the Mid-Tier Holding Company, or the Bank by the Agent expressly  
 regarding the Agent for use in the Prospectus contained in the  
 Conversion Application under the caption "The Conversion-Plan of  
 Distribution and Selling Commissions" or statements in or omissions  
 from any sales information or information filed pursuant to state  
 securities or blue sky laws or regulations regarding the Agent.  
  
 (c) The Company filed with the OTS the Holding Company  
 Application which has been approved by the OTS, subject to such  
 conditions set forth in the approved letter.  
  
 (d) No order has been issued by the OTS preventing or  
 suspending the use of the Prospectus and no action by or before any  
 such government entity to revoke any approval, authorization or order  
 of effectiveness related to the Conversion is, to the best knowledge of  
 the Company, the MHC, the Mid-Tier Holding Company, or the Bank,  
 pending or threatened.  
  
 (e) At the Closing Date referred to in Section 2, the Plan  
 will have been adopted by the Boards of Directors of the Company, the  
 MHC, the Mid-Tier Holding Company, and the Bank and the offer and sale  
 of the Shares will have been conducted in all material respects in  
 accordance with the Plan, the Conversion Regulations, and all other  
 applicable laws, regulations, decisions and orders, including all  
 terms, conditions, requirements and provisions precedent to the  
 Conversion imposed upon the Company, the MHC, the Mid-Tier Holding  
 Company, or the Bank by the OTS, the Commission or any other regulatory  
 authority and in the manner described in the Prospectus. To the best  
 knowledge of the Company, no person has sought to obtain review of the  
 final action of the OTS in approving or taking no objection to the Plan  
 or in approving or taking no objection to the Conversion or the Holding  
 Company Application pursuant to the Conversion Regulations or any other  
 statute or regulation.  
  
 (f) The Bank has been organized and is a validly existing  
 federally chartered savings and loan association in stock form of  
 organization and upon the Conversion will continue as such, is duly  
 authorized to conduct its business and own its property as described in  
 the Registration Statement and the Prospectus and all of the  
 outstanding stock of the Bank has been duly authorized and is fully  
 paid and non-assessable, and such stock is owned directly by the  
 Mid-Tier Holding Company free and clear of any liens,  
  
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 encumbrances, claims or other restrictions. The Bank has obtained all  
 material licenses, permits and other governmental authorizations  
 currently required for the conduct of its business; all such licenses,  
 permits and governmental authorizations are in full force and effect,  
 and the Bank is in all material respects complying with all laws,  
 rules, regulations and orders applicable to the operation of its  
 business. The Bank is existing under the laws of the United States and  
 is duly qualified as a foreign corporation to transact business and is  
 in good standing in each jurisdiction in which its ownership of  
 property or leasing or property or the conduct of its business requires  
 such qualification, unless the failure to be so qualified in one or  
 more of such jurisdictions would not have a material adverse effect on  
 the condition, financial or otherwise, or the business, operations or  
 income of the Bank. (The term "Bank" used in this Agreement shall  
 include the Bank and its subsidiaries, Manchester Trust Bank ("MTB")  
 and TSBusiness Finance Corporation ("TSB") (collectively, the  
 "Subsidiaries"), except where the context otherwise requires). The Bank  
 does not own equity securities or any equity interest in any other  
 business enterprise except as described in the Prospectus or as would  
 not be material to the operations of the Bank. Upon completion of the  
 sale by the Company of the Shares contemplated by the Prospectus, (i)  
 the MHC and the Mid-Tier Holding Company will be succeeded by the  
 Company, a Delaware corporation, as the holding company of the Bank,  
 (ii) all of the authorized and outstanding capital stock of the Bank  
 will be owned by the Company, and (iii) the Company will have no direct  
 subsidiaries other than the Bank. The Conversion will have been  
 effected in all material respects in accordance with all applicable  
 statutes, regulations, decisions and orders; and, except with respect  
 to the filing of certain post-sale, post-Conversion reports, and  
 documents in compliance with the 1933 Act Regulations or the OTS's  
 letters of approval or no objection taken, all terms, conditions,  
 requirements and provisions with respect to the Conversion (except  
 those that are conditions subsequent) imposed by the Commission or the  
 OTS, if any, will have been complied with by the Company, the MHC, the  
 Mid-Tier Holding Company, and the Bank in all material respects or  
 appropriate waivers will have been obtained and all material notice and  
 waiting periods will have been satisfied, waived or elapsed.  
  
 (g) The Subsidiaries are duly organized and are in good  
 standing under the laws of the State of \_\_\_\_\_\_\_\_\_\_\_\_\_ with full  
 corporate power and authority to own their properties and to conduct  
 their businesses, as are described in the Prospectus, and all of the  
 outstanding stock of the Subsidiaries has been duly authorized and is  
 fully paid and non-assessable, and such stock is owned directly and  
 beneficially by the Bank, free and clear of any liens, encumbrances,  
 claims or other restrictions. The Subsidiaries are duly qualified to  
 transact business and are in good standing in each jurisdiction in  
 which they conduct business, except where the failure to be qualified  
 would not, either individually or in the aggregate, have a material  
 adverse effect on the operations of the Bank. The activities of the  
 Subsidiaries are permitted to subsidiaries of a federally chartered  
 savings association by the rules, regulations, policies, and practices  
 of the OTS, and the activities of the Bank and the Subsidiaries are  
 permitted under federal and \_\_\_\_\_\_\_\_\_\_\_\_\_ law and any other  
 jurisdiction in which the Subsidiaries conduct business. The Bank's  
  
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 investments in the Subsidiaries has been approved by the OTS to the  
 extent required by applicable laws and regulations.  
  
 (h) The Mid-Tier Holding Company has been duly incorporated  
 and is validly existing as a corporation in good standing under the  
 laws of the United States with corporate power and authority to own,  
 lease and operate its properties and to conduct its business as  
 described in the Registration Statement and the Prospectus, and the  
 Mid-Tier Holding Company is qualified to do business as a foreign  
 corporation in each jurisdiction in which the conduct of its business  
 requires such qualification, except where the failure to so qualify  
 would not have a material adverse effect on the condition, financial or  
 otherwise, or the business, operations or income of the Mid-Tier  
 Holding Company. The Mid-Tier Holding Company has obtained all material  
 licenses, permits and other governmental authorizations currently  
 required for the conduct of its business; all such licenses, permits  
 and governmental authorizations are in full force and effect, and the  
 Mid-Tier Holding Company is in all material respects complying with all  
 laws, rules, regulations and orders applicable to the operation of its  
 business.  
  
 (i) The Company has been duly incorporated and is validly  
 existing as a corporation in good standing under the laws of the State  
 of Delaware with corporate power and authority to own, lease and  
 operate its properties and to conduct its business as described in the  
 Registration Statement and the Prospectus, and the Company is qualified  
 to do business as a foreign corporation in each jurisdiction in which  
 the conduct of its business requires such qualification, except where  
 the failure to so qualify would not have a material adverse effect on  
 the condition, financial or otherwise, or the business, operations or  
 income of the Company. The Company has obtained all material licenses,  
 permits and other governmental authorizations currently required for  
 the conduct of its business; all such licenses, permits and  
 governmental authorizations are in full force and effect, and the  
 Company is in all material respects complying with all laws, rules,  
 regulations and orders applicable to the operation of its business.  
  
 (j) The MHC has been duly organized and is a validly existing  
 federally chartered mutual holding company, with corporate power and  
 authority to own, lease and operate its properties and to conduct its  
 business as described in the Registration Statement and the Prospectus,  
 and the MHC is qualified to do business as a foreign corporation in  
 each jurisdiction in which the conduct of its business requires such  
 qualification, except where the failure to so qualify would not have a  
 material adverse effect on the condition, financial or otherwise, or  
 the business, operations or income of the MHC. The MHC has obtained all  
 material licenses, permits and other governmental authorizations  
 currently required for the conduct of its business; all such licenses,  
 permits and governmental authorizations are in full force and effect,  
 and the MHC is in all material respects complying with all laws, rules,  
 regulations and orders applicable to the operation of its business.  
  
 (k) The Bank is a member of the Federal Home Loan Bank of New  
 York ("FHLB-New York"). The deposit accounts of the Bank are insured by  
 the FDIC up to  
  
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 the applicable limits; and no proceedings for the termination or  
 revocation of such insurance are pending or, to the best knowledge of  
 the Company, the MHC, the Mid-Tier Holding Company, or the Bank,  
 threatened. Upon consummation of the Conversion, the liquidation  
 account for the benefit of Eligible Account Holders and Supplemental  
 Eligible Account Holders will be duly established in accordance with  
 the requirements of the Conversion Regulations.  
  
 (l) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank have good and marketable title to all real property and other  
 assets material to the business of the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank and to those properties and assets  
 described in the Registration Statement and Prospectus as owned by  
 them, free and clear of all liens, charges, encumbrances or  
 restrictions, except such as are described in the Registration  
 Statement and Prospectus or are not material to the business of the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank taken as a  
 whole; and all of the leases and subleases material to the business of  
 the Company, the MHC, the Mid-Tier Holding Company, and the Bank under  
 which the Company, the MHC, the Mid-Tier Holding Company, or the Bank  
 hold properties, including those described in the Registration  
 Statement and Prospectus, are in full force and effect.  
  
 (m) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank have received an opinion of their special counsel, Luse,  
 Lehman, Xxxxxx, Xxxxxxxx & Xxxxxx, P.C., with respect to the federal  
 income tax consequences of the conversion of the MHC from mutual to  
 stock form, the acquisition of the capital stock of the Bank by the  
 Company and the sale of the Shares as described in the Registration  
 Statement and the Prospectus, and an opinion from  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("LOCAL") with respect to the  
 New Jersey state income tax consequences of the proposed transaction;  
 all material aspects of the opinions of Luse, Lehman, Xxxxxx, Xxxxxxxx  
 & Xxxxxx, P.C. and LOCAL are accurately summarized in the Prospectus;  
 and the facts and representations upon which such opinions are based  
 are truthful, accurate and complete.  
  
 (n) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank have all such power, authority, authorizations, approvals and  
 orders as may be required to enter into this Agreement, to carry out  
 the provisions and conditions hereof and to issue and sell (i) the  
 capital stock of the Bank to the Company and (ii) the Shares to be sold  
 by the Company as provided herein and as described in the Prospectus.  
  
 (o) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank are not in violation of any directive received from the OTS,  
 the FDIC, or any other agency to make any material change in the method  
 of conducting their businesses so as to comply in all material respects  
 with all applicable statutes and regulations (including, without  
 limitation, regulations, decisions, directives and orders of the OTS  
 and the FDIC) and, except as set forth in the Registration Statement  
 and the Prospectus, there is no suit or proceeding or charge or action  
 before or by any court, regulatory authority  
  
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 or governmental agency or body, pending or, to the knowledge of the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank,  
 threatened, which might materially and adversely affect the Conversion,  
 the performance of this Agreement or the consummation of the  
 transactions contemplated in the Plan and as described in the  
 Registration Statement and the Prospectus or which might result in any  
 material adverse change in the condition (financial or otherwise),  
 earnings, capital or properties of the Company, the MHC, the Mid-Tier  
 Holding Company, or the Bank, or which would materially affect their  
 properties and assets.  
  
 (p) The consolidated financial statements which are included  
 in the Prospectus fairly present the financial condition, results of  
 operations, retained earnings and cash flows of the Mid-Tier Holding  
 Company or the Bank, as the case may be, at the respective dates  
 thereof and for the respective periods covered thereby and comply as to  
 form in all material respects with the applicable accounting  
 requirements of Title 12 of the Code of Federal Regulations and  
 generally accepted accounting principles (including those requiring the  
 recording of certain assets at their current market value). Such  
 financial statements have been prepared in accordance with generally  
 accepted accounting principles consistently applied through the periods  
 involved, present fairly in all material respects the information  
 required to be stated therein and are consistent with the most recent  
 financial statements and other reports filed by the Mid-Tier Holding  
 Company with the Commission, except that accounting principles employed  
 in such regulatory filings conform to the requirements of such  
 authorities and not necessarily to generally accepted accounting  
 principles. The other financial, statistical and pro forma information  
 and related notes included in the Prospectus present fairly the  
 information shown therein on a basis consistent with the audited and  
 unaudited financial statements of the Mid-Tier Holding Company or the  
 Bank, as the case may be, included in the Prospectus, and as to the pro  
 forma adjustments, the adjustments made therein have been properly  
 applied on the basis described therein.  
  
 (q) Since the respective dates as of which information is  
 given in the Registration Statement and the Prospectus; (i) there has  
 not been any material adverse change, financial or otherwise, in the  
 condition of the Company, the MHC, the Bank or in the earnings, capital  
 or properties of the Company, the MHC, the Mid-Tier Holding Company, or  
 the Bank, whether or not arising in the ordinary course of business;  
 (ii) there has not been any material increase in the long-term debt of  
 the Bank or in loans past due 90 days or more or real estate acquired  
 by foreclosure, by deed-in-lieu of foreclosure or deemed in-substance  
 foreclosure or any material decrease in surplus and reserves or total  
 assets of the Mid-Tier Holding Company or the Bank, nor has the  
 Company, the Mid-Tier Holding Company, or the Bank issued any  
 securities or incurred any liability or obligation for borrowing other  
 than in the ordinary course of business; (iii) there have not been any  
 material transactions entered into by the Company, the MHC, the  
 Mid-Tier Holding Company, or the Bank, except with respect to those  
 transactions entered into in the ordinary course of business; (iv) the  
 capitalization, liabilities, assets, properties and business of the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank conform in  
 all material respects to the descriptions  
  
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 thereof contained in the Prospectus; and (v) the Company, the MHC, the  
 Mid-Tier Holding Company, and the Bank do not have any material  
 contingent liabilities, except as set forth in the Prospectus.  
  
 (r) As of the date hereof and as of the Closing Date, the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank are not in  
 violation of its articles of incorporation or bylaws or charter or  
 bylaws, as applicable, or in default in the performance or observance  
 of any material obligation, agreement, covenant, or condition contained  
 in any material contract, lease, loan agreement, indenture or other  
 instrument to which it is a party or by which it or any of its property  
 may be bound; the consummation of the Conversion, the execution,  
 delivery and performance of this Agreement and the consummation of the  
 transactions herein contemplated have been duly and validly authorized  
 by all necessary corporate action on the part of the Company, the MHC,  
 the Mid-Tier Holding Company, and the Bank and this Agreement has been  
 validly executed and delivered by the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank and is the valid, legal and binding  
 Agreement of the Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank enforceable in accordance with its terms, except as the  
 enforceability thereof may be limited by (i) bankruptcy, insolvency,  
 reorganization, moratorium, conservatorship, receivership or other  
 similar laws now or hereafter in effect relating to or affecting the  
 enforcement of creditors' rights generally or the rights of creditors  
 of Federal savings institutions and their holding companies, (ii)  
 general equitable principles, (iii) laws relating to the safety and  
 soundness of insured depository institutions, and (iv) applicable law  
 or public policy with respect to the indemnification and/or  
 contribution provisions contained herein, and except that no  
 representation or warranty need be made as to the effect or  
 availability of equitable remedies or injunctive relief (regardless of  
 whether such enforceability is considered in a proceeding in equity or  
 at law). The consummation of the transactions herein contemplated will  
 not: (i) conflict with or constitute a breach of, or default under, the  
 articles of incorporation and bylaws of the Company or the charters and  
 bylaws of the Bank, the Mid-Tier Holding Company, or the MHC (in either  
 mutual or capital stock form), or any material contract, lease or other  
 instrument to which the Company, the MHC, the Mid-Tier Holding Company,  
 or the Bank has a beneficial interest, or any applicable law, rule,  
 regulation or order; (ii) violate any authorization, approval,  
 judgment, decree, order, statute, rule or regulation applicable to the  
 Company, the MHC, the Mid-Tier Holding Company, or the Bank, except for  
 such violations which would not have a material adverse effect on the  
 financial condition and results of operations of the Company, the MHC,  
 the Mid-Tier Holding Company, and the Bank on a consolidated basis; or  
 (iii) with the exception of the liquidation account established in the  
 Conversion, result in the creation of any material lien, charge or  
 encumbrance upon any property of the Company, the MHC, the Mid-Tier  
 Holding Company, or the Bank.  
  
 (s) No default exists, and no event has occurred which with  
 notice or lapse of time, or both, would constitute a default on the  
 part of the Company, the MHC, the Mid-Tier Holding Company, or the  
 Bank, in the due performance and observance of any  
  
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 term, covenant or condition of any indenture, mortgage, deed of trust,  
 note, bank loan or credit agreement or any other instrument or  
 agreement to which the Company, the MHC, the Mid-Tier Holding Company,  
 or the Bank is a party or by which any of them or any of their property  
 is bound or affected except such defaults which would not have a  
 material adverse effect on the financial condition or results of  
 operations of the Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank on a consolidated basis; such agreements are in full force and  
 effect; and no other party to any such agreements has instituted or, to  
 the best knowledge of the Company, the MHC, the Mid-Tier Holding  
 Company, or the Bank, threatened any action or proceeding wherein the  
 Company, the Bank, the Mid-Tier Holding Company, or the MHC would or  
 might be alleged to be in default thereunder under circumstances where  
 such action or proceeding, if determined adversely to the Company, the  
 MHC, the Mid-Tier Holding Company, or the Bank, would have a material  
 adverse effect on the Company, the MHC, the Mid-Tier Holding Company,  
 and the Bank, taken as a whole.  
  
 (t) Upon consummation of the Conversion, the authorized,  
 issued and outstanding equity capital of the Company will be within the  
 range set forth in the Prospectus under the caption "Capitalization,"  
 and, other than shares issued to the Bank which shall be canceled on  
 the Closing Date, no shares of Common Stock have been or will be issued  
 and outstanding prior to the Closing Date referred to in Section 2; the  
 Shares will have been duly and validly authorized for issuance and,  
 when issued and delivered by the Company pursuant to the Plan against  
 payment of the consideration calculated as set forth in the Plan and in  
 the Prospectus, will be duly and validly issued, fully paid and  
 non-assessable; no preemptive rights exist with respect to the Shares;  
 and the terms and provisions of the Shares will conform in all material  
 respects to the description thereof contained in the Registration  
 Statement and the Prospectus. To the best knowledge of the Company, the  
 MHC, the Mid-Tier Holding Company, and the Bank, upon the issuance of  
 the Shares, good title to the Shares will be transferred from the  
 Company to the purchasers thereof against payment therefor, subject to  
 such claims as may be asserted against the purchasers thereof by  
 third-party claimants.  
  
 (u) No approval of any regulatory or supervisory or other  
 public authority is required in connection with the execution and  
 delivery of this Agreement or the issuance of the Shares, except for  
 the approval or non-objection, as applicable, of the Commission, the  
 OTS, and any necessary qualification, notification, registration or  
 exemption under the securities or blue sky laws of the various states  
 in which the Shares are to be offered, and except as may be required  
 under the rules and regulations of the NASD and/or the Nasdaq National  
 Market.  
  
 (v) KPMG Peat Marwick LLP ("KPMG"), which has certified the  
 financial statements of the Mid-Tier Holding Company included in the  
 Prospectus as of September 30, 1997 and 1996 and for each of the years  
 in the three year period ended September 30, 1997, has advised the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank in writing  
 that they are, with respect to the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank, independent public accountants within  
 the meaning of  
  
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 the Code of Professional Ethics of the American Institute of Certified  
 Public Accountants, Title 121 of the Code of Federal Regulations and  
 Section 571.2(c)(3) and the 1933 Act.  
  
 (w) FinPro, Inc. which has prepared the Bank's Conversion  
 Valuation Appraisal Report as of December 17, 1997 (as amended or  
 supplemented, if so amended or supplemented) (the "Appraisal"), has  
 advised the Company in writing that it is independent of the Company,  
 the MHC, the Mid-Tier Holding Company, and the Bank within the meaning  
 of the Conversion Regulations.  
  
 (x) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank have timely filed all required federal, state and local tax  
 returns; the Company, the MHC, the Mid-Tier Holding Company, and the  
 Bank have paid all taxes that have become due and payable in respect of  
 such returns, except where permitted to be extended, have made adequate  
 reserves for similar future tax liabilities and no deficiency has been  
 asserted with respect thereto by any taxing authority.  
  
 (y) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank are in compliance in all material respects with the applicable  
 financial recordkeeping and reporting requirements of the Currency and  
 Foreign Transactions Reporting Act of 1970, as amended, and the  
 regulations and rules thereunder.  
  
 (z) To the knowledge of the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank, neither the Company, the MHC, the  
 Mid-Tier Holding Company, the Bank, nor employees of the Company, the  
 MHC, the Mid-Tier Holding Company, or the Bank have made any payment of  
 funds of the Company, the MHC, the Mid-Tier Holding Company, or the  
 Bank as a loan for the purchase of the Conversion Stock (other than a  
 loan by the Company to the ESOP) or made any other payment of funds  
 prohibited by law, and no funds have been set aside to be used for any  
 payment prohibited by law.  
  
 (aa) Prior to the Conversion: the Bank had \_\_\_\_\_\_\_\_\_\_ shares  
 of authorized common stock of which \_\_\_\_\_\_\_\_\_\_ shares were issued and  
 outstanding and \_\_\_\_\_\_\_\_\_\_ shares of preferred stock, none of which  
 were outstanding; the Mid-Tier Holding Company had \_\_\_\_\_\_\_\_\_\_ shares of  
 authorized common stock, of which \_\_\_\_\_\_\_\_\_\_\_ shares were issued and  
 outstanding and \_\_\_\_\_\_\_\_\_\_ shares of preferred stock, none of which  
 were outstanding; and the MHC was not authorized to issue shares. The  
 Bank, the Mid-Tier Holding Company, the Company or the MHC have not:  
 (i) other than as described in the Prospectus issued any securities  
 within the last 18 months (except for notes to evidence other bank  
 loans and reverse repurchase agreements or other liabilities in the  
 ordinary course of business or as described in the Prospectus); (ii)  
 had any material dealings within the 12 months prior to the date hereof  
 with any member of the NASD, or any person related to or associated  
 with such member, other than discussions and meetings relating to the  
 proposed offering and routine purchases and sales of United States  
 government and agency securities; (iii) entered into a financial or  
 management  
  
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 consulting agreement except as contemplated hereunder and except for  
 the Letter Agreement set forth in Exhibit A; and (iv) engaged any  
 intermediary between the Agent and the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank in connection with the offering of the  
 Shares, and no person is being compensated in any manner for such  
 service.  
  
 (bb) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank have not relied upon the Agent or the Agent's counsel for any  
 legal, tax or accounting advice in connection with the Conversion.  
  
 (cc) The Company is not required to be registered under the  
 Investment Company Act of 1940, as amended.  
  
 Any certificates signed by an officer of the Company, the MHC, the  
Mid-Tier Holding Company, or the Bank pursuant to the conditions of this  
Agreement and delivered to the Agent or its counsel that refers to this  
Agreement shall be deemed to be a representation and warranty by the Company,  
the MHC, the Mid-Tier Holding Company, or the Bank to the Agent as to the  
matters covered thereby with the same effect as if such representation and  
warranty were set forth herein.  
  
 Section 5. Representations and Warranties of the Agent. The Agent  
represents and warrants to the Company, the MHC, the Mid-Tier Holding Company,  
and the Bank that:  
  
 (a) The Agent is a corporation and is validly existing in good  
 standing under the laws of the State of Delaware with full  
 power and authority to provide the services to be furnished to  
 the Bank, the Mid-Tier Holding Company, the MHC and the  
 Company hereunder.  
  
 (b) The execution and delivery of this Agreement and the  
 consummation of the transactions contemplated hereby have been  
 duly and validly authorized by all necessary action on the  
 part of the Agent, and this Agreement has been duly and  
 validly executed and delivered by the Agent and is the legal,  
 valid and binding agreement of the Agent, enforceable in  
 accordance with its terms.  
  
 (c) Each of the Agent and its employees, agents and  
 representatives who shall perform any of the services  
 hereunder shall be duly authorized and empowered, and shall  
 have all licenses, approvals and permits necessary to perform  
 such services.  
  
 (d) The execution and delivery of this Agreement by the Agent,  
 the consummation of the transactions contemplated hereby and  
 compliance with the terms and provisions hereof will not  
 conflict with, or result in a breach of, any of the terms,  
 provisions or conditions of, or constitute a default (or event  
 which with notice or lapse of time or both would constitute a  
 default) under, the articles  
  
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 of incorporation of the Agent or any agreement, indenture or  
 other instrument to which the Agent is a party or by which it  
 or its property is bound.  
  
 (e) No approval of any regulatory or supervisory or other  
 public authority is required in connection with the Agent's  
 execution and delivery of this Agreement, except as may have  
 been received.  
  
 (f) There is no suit or proceeding or charge of action before  
 or by any court, regulatory authority or government agency or  
 body or, to the knowledge of the Agent, pending or threatened,  
 which might materially adversely affect the Agent's  
 performance of this Agreement.  
  
 Section 5.1 Covenants of the Company, the MHC, the Mid-Tier Holding  
Company, and the Bank. The Company, the MHC, the Mid-Tier Holding Company, and  
the Bank hereby jointly and severally covenant with the Agent as follows:  
  
 (a) The Company has filed the Registration Statement with the  
 Commission. The Company will not, at any time after the date the  
 Registration Statement is declared effective, file any amendment or  
 supplement to the Registration Statement without providing the Agent  
 and its counsel an opportunity to review such amendment or supplement  
 or file any amendment or supplement to which amendment or supplement  
 the Agent or its counsel shall reasonably object.  
  
 (b) The MHC has filed the Conversion Application with the OTS.  
 The MHC will not, at any time after the Conversion Application is  
 approved by the OTS, file any amendment or supplement to such  
 Conversion Application without providing the Agent and its counsel an  
 opportunity to review such amendment or supplement or file any  
 amendment or supplement to which amendment or supplement the Agent or  
 its counsel shall reasonably object.  
  
 (c) The Company has filed the Holding Company Application with  
 the OTS. The Company will not, at any time before the Holding Company  
 Application is approved by the OTS, file any amendment or supplement to  
 such Holding Company Application without providing the Agent and its  
 counsel an opportunity to review the nonconfidential portions of such  
 amendment or supplement or file any amendment or supplement to which  
 amendment or supplement the Agent or its counsel shall reasonably  
 object.  
  
 (d) The Company and the Bank will use their best efforts to  
 cause any post-effective amendment to the Registration Statement to be  
 declared effective by the Commission and any post-effective amendment  
 to the Conversion Application to be approved by the OTS and will  
 immediately upon receipt of any information concerning the events  
 listed below notify the Agent: (i) when the Registration Statement, as  
 amended, has become effective; (ii) when the Conversion Application, as  
 amended, has been approved by the OTS; (iii) when the Holding Company  
 Application, as amended, has been approved by the OTS; (iv) of any  
 comments from the Commission, the OTS  
  
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 or any other governmental entity with respect to the Conversion or the  
 transactions contemplated by this Agreement; (v) of the request by the  
 Commission, the OTS or any other governmental entity for any amendment  
 or supplement to the Registration Statement, the Conversion Application  
 or the Holding Company Application or for additional information; (vi)  
 of the issuance by the Commission, the OTS or any other governmental  
 entity of any order or other action suspending the Offering or the use  
 of the Registration Statement or the Prospectus or any other filing of  
 the MHC, the Company or the Bank under the Conversion Regulations, or  
 other applicable law, or the threat of any such action; (vii) the  
 issuance by the Commission, the OTS or any state authority of any stop  
 order suspending the effectiveness of the Registration Statement or the  
 approval of the Conversion Application or Holding Company Application,  
 or of the initiation or threat of initiation or threat of any  
 proceedings for any such purpose; or (viii) of the occurrence of any  
 event mentioned in paragraph (h) below. The Company, the MHC, the  
 Mid-Tier Holding Company, and the Bank will make every reasonable  
 effort (i) to prevent the issuance by the Commission, the OTS or any  
 state authority of any such order and, if any such order shall at any  
 time be issued, (ii) to obtain the lifting thereof at the earliest  
 possible time.  
  
 (e) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank will deliver to the Agent and to its counsel two conformed  
 copies of the Registration Statement, the Conversion Application and  
 the Holding Company Application, as originally filed and of each  
 amendment or supplement thereto, including all exhibits. Further, the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank will  
 deliver such additional copies of the foregoing documents to counsel to  
 the Agent as may be required for any NASD and blue sky filings.  
  
 (f) The Company will furnish to the Agent, from time to time  
 during the period when the Prospectus (or any later prospectus related  
 to this offering) is required to be delivered under the 1933 Act or the  
 Securities Exchange Act of 1934 (the "1934 Act"), such number of copies  
 of such Prospectus (as amended or supplemented) as the Agent may  
 reasonably request for the purposes contemplated by the 1933 Act, the  
 1933 Act Regulations, the 1934 Act or the rules and regulations  
 promulgated under the 1934 Act (the "1934 Act Regulations"). The  
 Company authorizes the Agent to use the Prospectus (as amended or  
 supplemented, if amended or supplemented) in any lawful manner  
 contemplated by the Plan in connection with the sale of the Shares by  
 the Agent.  
  
 (g) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank will comply with any and all material terms, conditions,  
 requirements and provisions with respect to the Conversion and the  
 transactions contemplated thereby imposed by the Commission, the OTS,  
 the Conversion Regulations or the OTS, and by the 1933 Act, the 1933  
 Act Regulations, the 1934 Act and the 1934 Act Regulations to be  
 complied with prior to or subsequent to the Closing Date and when the  
 Prospectus is required to be delivered, the Company, the MHC, the  
 Mid-Tier Holding Company, and the Bank will comply, at their own  
 expense, with all material requirements imposed upon them by the  
 Commission, the OTS, the Conversion Regulations or the OTS, and by the  
 1933 Act, the  
  
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 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations,  
 including, without limitation, Rule 10b-5 under the 1934 Act, in each  
 case as from time to time in force, so far as necessary to permit the  
 continuance of sales or dealing in shares of Common Stock during such  
 period in accordance with the provisions hereof and the Prospectus.  
  
 (h) If, at any time during the period when the Prospectus  
 relating to the Shares is required to be delivered, any event relating  
 to or affecting the Company, the MHC, the Mid-Tier Holding Company, or  
 the Bank shall occur, as a result of which it is necessary or  
 appropriate, in the opinion of counsel for the Company, the MHC, the  
 Mid-Tier Holding Company, and the Bank or in the reasonable opinion of  
 the Agent's counsel, to amend or supplement the Registration Statement  
 or Prospectus in order to make the Registration Statement or Prospectus  
 not misleading in light of the circumstances existing at the time the  
 Prospectus is delivered to a purchaser, the Company and the Bank will  
 at their expense, prepare and file with the Commission and the OTS and  
 furnish to the Agent a reasonable number of copies of an amendment or  
 amendments of, or a supplement or supplements to, the Registration  
 Statement or Prospectus (in form and substance satisfactory to the  
 Agent and its counsel after a reasonable time for review) which will  
 amend or supplement the Registration Statement or Prospectus so that as  
 amended or supplemented it will not contain an untrue statement of a  
 material fact or omit to state a material fact necessary in order to  
 make the statements therein, in light of the circumstances existing at  
 the time the Prospectus is delivered to a purchaser, not misleading.  
 For the purpose of this Agreement, the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank each will timely furnish to the Agent  
 such information with respect to itself as the Agent may from time to  
 time reasonably request.  
  
 (i) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank will take all necessary actions, in cooperating with the  
 Agent, and furnish to whomever the Agent may direct, such information  
 as may be required to qualify or register the Shares for offering and  
 sale by the Company or to exempt such Shares from registration, or to  
 exempt the Company as a broker-dealer and its officers, directors and  
 employees as broker-dealers or agents under the applicable securities  
 or blue sky laws of such jurisdictions in which the Shares are required  
 under the Conversion Regulations to be sold or as the Agent and the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank may  
 reasonably agree upon; provided, however, that the Company shall not be  
 obligated to file any general consent to service of process or to  
 qualify to do business in any jurisdiction in which it is not so  
 qualified. In each jurisdiction where any of the Shares shall have been  
 qualified or registered as above provided, the Company will make and  
 file such statements and reports in each fiscal period as are or may be  
 required by the laws of such jurisdiction.  
  
 (j) The liquidation account for the benefit of Eligible  
 Account Holders and Supplemental Eligible Account Holders will be duly  
 established and maintained in accordance with the requirements of the  
 OTS, and such Eligible Account Holders and Supplemental Eligible  
 Account Holders who continue to maintain their savings accounts  
  
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 in the Bank will have an inchoate interest in their pro rata portion of  
 the liquidation account which shall have a priority superior to that of  
 the holders of shares of Common Stock in the event of a complete  
 liquidation of the Bank.  
  
 (k) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank will not sell or issue, contract to sell or otherwise dispose  
 of, for a period of 90 days after the Closing Date, without the Agent's  
 prior written consent, any shares of Common Stock other than the Shares  
 or other than in connection with any plan or arrangement described in  
 the Prospectus.  
  
 (l) The Company shall register its Common Stock under Section  
 12(g) of the 1934 Act concurrent with the Offerings pursuant to the  
 Plan and shall request that such registration be effective upon  
 completion of the Conversion. The Company shall maintain the  
 effectiveness of such registration for not less than three (3) years or  
 such shorter period as may be required by the OTS.  
  
 (m) During the period during which the Company's Common Stock  
 is registered under the 1934 Act or for three years from the date  
 hereof, whichever period is greater, the Company will furnish to its  
 stockholders as soon as practicable after the end of each fiscal year  
 an annual report of the Company (including a consolidated balance sheet  
 and statements of consolidated income, stockholders' equity and cash  
 flows of the Company and its subsidiaries as at the end of and for such  
 year, certified by independent public accountants in accordance with  
 Regulation S-X under the 1933 Act and the 1934 Act).  
  
 (n) During the period of three years from the date hereof, the  
 Company will furnish to the Agent: (i) as soon as practicable after  
 such information is publicly available, a copy of each report of the  
 Company furnished to or filed with the Commission under the 1934 Act or  
 any national securities exchange or system on which any class of  
 securities of the Company is listed or quoted (including, but not  
 limited to, reports on Forms 10-K, 10-Q and 8-K and all proxy  
 statements and annual reports to stockholders), (ii) a copy of each  
 other non-confidential report of the Company mailed to its stockholders  
 or filed with the Commission, the OTS or any other supervisory or  
 regulatory authority or any national securities exchange or system on  
 which any class of securities of the Company is listed or quoted, each  
 press release and material news items and additional documents and  
 information with respect to the Company or the Bank as the Agent may  
 reasonably request; and (iii) from time to time, such other  
 nonconfidential information concerning the Company or the Bank as the  
 Agent may reasonably request.  
  
 (o) The Company and the Bank will use the net proceeds from  
 the sale of the Shares in the manner set forth in the Prospectus under  
 the caption "Use of Proceeds."  
  
 (p) Other than as permitted by the Conversion Regulations, the  
 HOLA, the 1933 Act, the 1933 Act Regulations, and the laws of any state  
 in which the Shares are registered or qualified for sale or exempt from  
 registration, the Company, the MHC, the  
  
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 Mid-Tier Holding Company, and the Bank will not distribute any  
 prospectus, offering circular or other offering material in connection  
 with the offer and sale of the Shares.  
  
 (q) The Company will use its best efforts to (i) encourage and  
 assist two market makers to establish and maintain a market for the  
 Shares and (ii) list the Shares on a national or regional securities  
 exchange or on the Nasdaq National Market effective on or prior to the  
 Closing Date.  
  
 (r) The Bank will maintain appropriate arrangements for  
 depositing all funds received from persons mailing subscriptions for or  
 orders to purchase Shares in the Offerings on an interest bearing basis  
 at the rate described in the Prospectus until the Closing Date and  
 satisfaction of all conditions precedent to the release of the Bank's  
 obligation to refund payments received from persons subscribing for or  
 ordering Shares in the Offerings in accordance with the Plan and as  
 described in the Prospectus or until refunds of such funds have been  
 made to the persons entitled thereto or withdrawal authorizations  
 canceled in accordance with the Plan and as described in the  
 Prospectus. The Bank will maintain such records of all funds received  
 to permit the funds of each subscriber to be separately insured by the  
 FDIC (to the maximum extent allowable) and to enable the Bank to make  
 the appropriate refunds of such funds in the event that such refunds  
 are required to be made in accordance with the Plan and as described in  
 the Prospectus.  
  
 (s) The Company will promptly take all necessary action to  
 register as a savings and loan holding company under the HOLA within 90  
 days of the Closing Date.  
  
 (t) The Company and the Bank will take such actions and  
 furnish such information as are reasonably requested by the Agent in  
 order for the Agent to ensure compliance with the NASD's  
 "Interpretation Relating to Free Riding and Withholding."  
  
 (u) Neither the Bank nor the MHC will amend the Plan of  
 Conversion without notifying the Agent prior thereto.  
  
 (v) The Company shall assist the Agent, if necessary, in  
 connection with the allocation of the Shares in the event of an  
 oversubscription and shall provide the Agent with any information  
 necessary to assist the Company in allocating the Shares in such event  
 and such information shall be accurate and reliable.  
  
 (w) Prior to the Closing Date, the Company, the MHC, the  
 Mid-Tier Holding Company, and the Bank will inform the Agent of any  
 event or circumstances of which it is aware as a result of which the  
 Registration Statement, the Conversion Application and/or Prospectus,  
 as then amended or supplemented, would contain an untrue statement of a  
 material fact or omit to state a material fact necessary in order to  
 make the statements therein not misleading.  
  
  
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 (x) Prior to the Closing Date, the Company will have received  
 approval of the OTS to acquire the Bank.  
  
 Section 5.2 Covenants of the Agent. The Agent hereby covenants with the  
Company, the MHC, the Mid-Tier Holding Company, and the Bank as follows:  
  
 (a) During the period when the Prospectus is used, the Agent  
 will comply, in all material respects and at its own expense, with all  
 requirements imposed upon it by the OTS and, to the extent applicable,  
 by the 1933 Act and the 1934 Act and the rules and regulations  
 promulgated thereunder.  
  
 (b) The Agent shall return unused prospectuses, if any, to the  
 Company promptly upon the completion of the Conversion.  
  
 (c) The Agent will distribute the Prospectuses or offering  
 materials in connection with the sales of the common stock only in  
 accordance with OTS regulations, the 1933 Act and the rules and  
 regulations promulgated thereunder.  
  
 (d) The Agent shall assist the Bank in maintaining  
 arrangements for the deposit of funds and the making of refunds, as  
 appropriate (as described in Section 5.1(r)), and shall perform the  
 allocation of shares in the event of an oversubscription, in  
 conformance with the Plan and applicable regulations and based upon  
 information furnished to the Agent by the Bank (as described in Section  
 5.1(v)).  
  
 Section 6. Payment of Expenses. Whether or not the Conversion is  
completed or the sale of the Shares by the Company is consummated, the Company,  
the MHC, the Mid-Tier Holding Company, and the Bank jointly and severally agree  
to pay or reimburse the Agent for: (a) all filing fees in connection with all  
filings with the NASD; (b) any stock issue or transfer taxes which may be  
payable with respect to the sale of the Shares; (c) all reasonable expenses of  
the Conversion including but not limited to the Company, the MHC, the Mid-Tier  
Holding Company, and the Bank's attorneys' fees, transfer agent, registrar and  
other agent charges, fees relating to auditing and accounting or other advisors  
and costs of printing all documents necessary in connection with the Conversion;  
and (d) all reasonable out-of-pocket expenses incurred by the Agent not to  
exceed $70,000 (including legal fees and expenses). Such out-of-pocket expenses  
include, but are not limited to, travel, communications and postage. However,  
such out-of-pocket expenses do not include expenses incurred with respect to the  
matters set forth in (a) or (b) above. In the event the Company is unable to  
sell a minimum of 14,961,100 Shares or the Conversion is terminated or otherwise  
abandoned, the Company, the MHC, the Mid-Tier Holding Company, and the Bank  
shall reimburse the Agent in accordance with Section 2 hereof.  
  
 Section 7. Conditions to the Agent's Obligations. The Agent's  
obligations hereunder, as to the Shares to be delivered at the Closing Date, are  
subject, to the extent not waived by the Agent, to the condition that all  
representations and warranties of the Company, the MHC, the Mid-Tier Holding  
Company, and the Bank herein are, at and as of the  
  
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commencement of the Offerings and at and as of the Closing Date, true and  
correct in all material respects, the condition that the Company, the MHC, the  
Mid-Tier Holding Company, and the Bank shall have performed all of their  
obligations hereunder to be performed on or before such dates, and to the  
following further conditions:  
  
 (a) At the Closing Date, the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank shall have conducted the Conversion in  
 all material respects in accordance with the Plan, the Conversion  
 Regulations, and all other applicable laws, regulations, decisions and  
 orders, including all terms, conditions, requirements and provisions  
 precedent to the Conversion imposed upon them by the OTS.  
  
 (b) The Registration Statement shall have been declared  
 effective by the Commission, the Conversion Application approved by the  
 OTS, and the Holding Company Application approved by the OTS not later  
 than 5:30 p.m. on the date of this Agreement, or with the Agent's  
 consent at a later time and date; and at the Closing Date, no stop  
 order suspending the effectiveness of the Registration Statement shall  
 have been issued under the 1933 Act or proceedings therefore initiated  
 or threatened by the Commission, or any state authority and no order or  
 other action suspending the authorization of the Prospectus or the  
 consummation of the Conversion shall have been issued or proceedings  
 therefore initiated or, to the Company's, the MHC's, the Mid-Tier  
 Holding Company's, or the Bank's knowledge, threatened by the  
 Commission, the OTS or any state authority.  
  
 (c) At the Closing Date, the Agent shall have received:  
  
 (1) The favorable opinion, dated as of the Closing  
 Date and addressed to the Agent and for its benefit, of Luse,  
 Lehman, Xxxxxx, Xxxxxxxx & Xxxxxx, P.C., special counsel for  
 the Company, the MHC, the Mid-Tier Holding Company, and the  
 Bank, in form and substance to the effect that:  
  
 (i) The Company has been duly incorporated  
 and is validly existing as a corporation under the laws of the  
 State of Delaware and has corporate power and authority to  
 own, lease and operate its properties and to conduct its  
 business as described in the Registration Statement and the  
 Prospectus.  
  
 (ii) The Mid-Tier Holding Company has been  
 duly incorporated and is validly existing as a corporation  
 under the laws of the State of Delaware and has corporate  
 power and authority to own, lease and operate its properties  
 and to conduct its business as described in the Registration  
 Statement and the Prospectus. All of the outstanding capital  
 stock of the Mid-Tier Holding Company is duly authorized and  
 validly issued, fully paid, and non-assessable and \_\_\_\_\_\_\_\_\_\_  
 shares of such stock are directly owned and of record by the  
 MHC, free and clear of any liens, encumbrances, claims, or  
 other restrictions.  
  
  
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 (iii) The Bank has been organized and is a  
 validly existing federal savings association in capital stock  
 form of organization, authorized to conduct its business and  
 own its property as described in the Registration Statement  
 and Prospectus. All of the outstanding capital stock of the  
 Bank will be duly authorized and, upon payment therefor, will  
 be validly issued, fully paid and non-assessable and will be  
 owned by the Company, free and clear of any liens,  
 encumbrances, claims or other restrictions.  
  
 (iv) The MHC has been organized and is a  
 validly existing federal mutual holding company duly  
 authorized to conduct its business and own its property as  
 described in the Registration Statement and Prospectus.  
  
 (v) The Bank is a member of the FHLB-New  
 York. The deposit accounts of the Bank are insured by the FDIC  
 up to the maximum amount allowed under law and no proceedings  
 for the termination or revocation of such insurance are  
 pending or, to such counsel's Actual Knowledge, threatened;  
 the description of the liquidation account as set forth in the  
 Prospectus under the caption "The Conversion-Liquidation  
 Rights" to the extent that such information constitutes  
 matters of law and legal conclusions has been reviewed by such  
 counsel and is accurate in all material respects.  
  
 (vi) The Subsidiaries are duly incorporated  
 and validly existing as corporations in good standing under  
 the laws of the State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with full  
 corporate authority to own their properties and conduct their  
 businesses substantially as described in the Prospectus. To  
 such counsel's knowledge, the Subsidiaries have obtained all  
 material licenses, permits, and other governmental  
 authorizations currently required for the conduct of their  
 businesses, and all such material licenses, permits, and other  
 governmental authorizations are in full force and effect, and  
 the Subsidiaries are in all material respects complying  
 therewith. To such counsel's knowledge, the Subsidiaries are  
 not in violation of their respective certificates of  
 incorporation or bylaws. The activities of the Subsidiaries as  
 described in the Prospectus are permitted by the Savings  
 Institution Regulations. All of the outstanding stock of the  
 Subsidiaries have been duly authorized and are validly issued,  
 fully paid, and nonassessable and such stock is owned of  
 record by the Bank, free and clear of any liens encumbrances,  
 claims, or other restrictions.  
  
 (vii) Upon consummation of the Conversion,  
 the authorized, issued and outstanding capital stock of the  
 Company will be within the range set forth in the Prospectus  
 under the caption "Capitalization," and except for shares  
 issued upon incorporation of the Company, no shares of Common  
 Stock have been issued prior to the Closing Date; at the time  
 of the Conversion, the Conversion Stock subscribed for  
 pursuant to the Offerings will have been duly and validly  
 authorized for issuance, and when issued and delivered by the  
 Company pursuant to the Plan against payment of the  
 consideration calculated as  
  
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 set forth in the Plan and the Prospectus, will be duly and  
 validly issued and fully paid and non-assessable; the issuance  
 of the Shares is not subject to preemptive rights and the  
 terms and provisions of the Shares conform in all material  
 respects to the description thereof contained in the  
 Prospectus. To such counsel's Actual Knowledge, upon the  
 issuance of the Shares, good title to the Shares will be  
 transferred from the Company to the purchasers thereof against  
 payment therefor, subject to such claims as may be asserted  
 against the purchasers thereof by third-party claimants.  
  
 (viii) The execution and delivery of this  
 Agreement and the consummation of the transactions  
 contemplated hereby have been validly authorized by all  
 necessary action on the part of the Company, the MHC, the  
 Mid-Tier Holding Company, and the Bank; and this Agreement is  
 a valid and binding obligation of the Company, the MHC, the  
 Mid-Tier Holding Company, and the Bank, enforceable in  
 accordance with its terms, except as the enforceability  
 thereof may be limited by (i) bankruptcy, insolvency,  
 moratorium, reorganization, conservatorship, receivership or  
 other similar laws now or hereafter in effect relating to or  
 affecting the enforcement of creditors' rights generally or  
 the rights of creditors of savings institutions and their  
 holding companies, (ii) general equitable principles, (iii)  
 laws relating to the safety and soundness of insured  
 depository institutions, and (iv) applicable law or public  
 policy with respect to the indemnification and/or contribution  
 provisions contained herein, including, without limitation,  
 the provisions of Section 23A and 23B of the Federal Reserve  
 Act, and except that no opinion need to be expressed as to the  
 effect or availability of equitable remedies or injunctive  
 relief (regardless of whether such enforceability is  
 considered in a proceeding in equity or at law).  
  
 (ix) The Conversion Application has been  
 approved by the OTS and the Prospectus has been authorized for  
 use by the OTS. The OTS has approved the Holding Company  
 Application, and the purchase by the Company of all of the  
 issued and outstanding capital stock of the Bank has been  
 authorized by the OTS and no action has been taken, and to  
 such counsel's Actual Knowledge, none is pending or  
 threatened, to revoke any such authorization or approval.  
  
 (x) The Plan has been adopted by the  
 required vote of the directors of the Company, the MHC, the  
 Mid-Tier Holding Company, and the Bank and, based upon the  
 certificate of the inspector of election, by the members of  
 the MHC and the stockholders of the Mid-Tier Holding Company  
 and the Bank.  
  
 (xi) Subject to the satisfaction of the  
 conditions to the OTS's approval of the Conversion, no further  
 approval, registration, authorization, consent or other order  
 of or notice to any federal or Delaware regulatory agency is  
 required in connection with the execution and delivery of this  
 Agreement, the  
  
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 issuance of the Shares and the consummation of the Conversion,  
 except as may be required under the securities or blue sky  
 laws of various jurisdictions (as to which no opinion need be  
 rendered) and except as may be required under the rules and  
 regulations of the NASD and/or the Nasdaq National Market (as  
 to which no opinion need be rendered).  
  
 (xii) The Registration Statement is  
 effective under the 1933 Act and no stop order suspending the  
 effectiveness has been issued under the 1933 Act or  
 proceedings therefor initiated or, to such counsel's Actual  
 Knowledge, threatened by the Commission.  
  
 (xiii) At the time the Conversion  
 Application, including the Prospectus contained therein, was  
 approved by the OTS, the Conversion Application, including the  
 Prospectus contained therein, complied as to form in all  
 material respects with the requirements of the Conversion  
 Regulations, federal law and all applicable rules and  
 regulations promulgated thereunder (other than the financial  
 statements, the notes thereto, and other tabular, financial,  
 statistical and appraisal data and accounting information  
 included therein, as to which no opinion need be rendered).  
  
 (xiv) At the time that the Registration  
 Statement became effective, (i) the Registration Statement (as  
 amended or supplemented, if so amended or supplemented) (other  
 than the financial statements, the notes thereto and other  
 tabular, financial, statistical and appraisal data included  
 therein, as to which no opinion need be rendered) complied as  
 to form in all material respects with the requirements of the  
 1933 Act and the 1933 Act Regulations, and (ii) the Prospectus  
 (other than the financial statements, the notes thereto and  
 other tabular, financial, statistical and appraisal data  
 included therein, as to which no opinion need be rendered)  
 complied as to form in all material respects with the  
 requirements of the 1933 Act, the 1933 Act Regulations, the  
 Conversion Regulations and federal law.  
  
 (xv) The terms and provisions of the Shares  
 of the Company conform, in all material respects, to the  
 description thereof contained in the Registration Statement  
 and Prospectus, and the form of certificate used to evidence  
 the Shares is in proper form.  
  
 (xvi) There are no legal or governmental  
 proceedings pending or to such counsel's Actual Knowledge,  
 threatened which are required to be disclosed in the  
 Registration Statement and Prospectus, other than those  
 disclosed therein, and to such counsel's Actual Knowledge, all  
 pending legal and governmental proceedings to which the  
 Company, the MHC, the Mid-Tier Holding Company, or the Bank is  
 a party or of which any of their property is the subject,  
 which are not described in the Registration Statement and the  
 Prospectus, including ordinary routine litigation incidental  
 to the Company's, the MHC's, the  
  
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 Mid-Tier Holding Company's, or the Bank's business, are,  
 considered in the aggregate, not material.  
  
 (xvii) To such counsel's Actual Knowledge,  
 there are no material contracts, indentures, mortgages, loan  
 agreements, notes, leases or other instruments required to be  
 described or referred to in the Conversion Application, the  
 Registration Statement or the Prospectus or required to be  
 filed as exhibits thereto other than those described or  
 referred to therein or filed as exhibits thereto in the  
 Conversion Application, the Registration Statement or the  
 Prospectus. The description in the Conversion Application, the  
 Registration Statement and the Prospectus of such documents  
 and exhibits is accurate in all material respects and fairly  
 presents the information required to be shown.  
  
 (xviii) To such counsel's Actual Knowledge,  
 the Company, the MHC, the Mid-Tier Holding Company, and the  
 Bank have conducted the Conversion, in all material respects,  
 in accordance with all applicable requirements of the Plan and  
 applicable federal law, and the Plan complies in all material  
 respects with all applicable Delaware and federal laws, rules  
 and regulations, including, but not limited to, the Conversion  
 Regulations (except where a written waiver has been received);  
 no order has been issued by the OTS, the Commission or any  
 state authority to suspend the Offerings or the use of the  
 Prospectus, and no action for such purposes has been  
 instituted or, to such counsel's Actual Knowledge, threatened  
 by the OTS or the Commission or any state authority and, to  
 such counsel's Actual Knowledge, no person has sought to  
 obtain regulatory or judicial review of the final action of  
 the OTS approving the Plan, the Conversion Application, the  
 Holding Company Application or the Prospectus.  
  
 (xix) To such counsel's Actual Knowledge,  
 the Company, the MHC, the Mid-Tier Holding Company, and the  
 Bank have obtained all material federal and Delaware licenses,  
 permits and other governmental authorizations currently  
 required for the conduct of their businesses and all such  
 licenses, permits and other governmental authorizations are in  
 full force and effect, and the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank are in all material respects  
 complying therewith, except where the failure to have such  
 licenses, permits and other governmental authorizations or the  
 failure to be in compliance therewith would not have a  
 material adverse affect on the business or operations of the  
 Bank, the MHC and the Company, taken as a whole.  
  
 (xx) To such counsel's Actual Knowledge, the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank  
 are not in violation of their articles of incorporation,  
 bylaws, or charter, as applicable, or, to such counsel's  
 Actual Knowledge, in default or violation of any obligation,  
 agreement, covenant or condition contained in any contract,  
 indenture, mortgage, loan agreement, note, lease or other  
 instrument to which it is a party or by which it or its  
 property  
  
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 may be bound except for such defaults or violations which  
 would not have a material adverse impact on the financial  
 condition or results of operations of the Company, the MHC,  
 the Mid-Tier Holding Company, or the Bank on a consolidated  
 basis; to such counsel's Actual Knowledge, the execution and  
 delivery of this Agreement, the occurrence of the obligations  
 herein set forth and the consummation of the transactions  
 contemplated herein will not conflict with or constitute a  
 breach of, or default under, or result in the creation or  
 imposition of any lien, charge or encumbrance upon any  
 property or assets of the Company, the MHC, the Mid-Tier  
 Holding Company, or the Bank pursuant to any material  
 contract, indenture, mortgage, loan agreement, note, lease or  
 other instrument to which the Company, the MHC, the Mid-Tier  
 Holding Company, or the Bank is a party or by which any of  
 them may be bound, or to which any of the property or assets  
 of the Company, the MHC, the Mid-Tier Holding Company, or the  
 Bank is subject (other than the establishment of a liquidation  
 account), and such action will not result in any violation of  
 the provisions of the articles of incorporation, bylaws or  
 charter, as applicable, of the Company, the MHC, the Mid-Tier  
 Holding Company, or the Bank, or any applicable federal or  
 Delaware law, act, regulation (except that no opinion need be  
 rendered with respect to the securities or blue sky laws of  
 various jurisdictions or the rules and regulations of the NASD  
 and/or the Nasdaq National Market) or order or court order,  
 writ, injunction or decree.  
  
 (xxi) The Company's articles of  
 incorporation and bylaws comply in all material respects with  
 the General Corporation Law ("GCL") of the State of Delaware.  
 The Bank's, the Mid-Tier Holding Company's, and the MHC's  
 charter and bylaws comply in all material respects with the  
 HOLA and the rules and regulations of the OTS.  
  
 (xxii) To such counsel's Actual Knowledge,  
 neither the Company, the MHC, the Mid-Tier Holding Company,  
 nor the Bank is in violation of any directive from the OTS or  
 the FDIC to make any material change in the method of  
 conducting its respective business.  
  
 (xxiii) The information in the Prospectus  
 under the captions "Regulation," "The Conversion,"  
 "Restrictions on Acquisition of the Company and the Bank,"  
 "Description of Capital Stock of the Company," and  
 "Description of Capital Stock of the Bank," to the extent that  
 such information constitutes matters of law, summaries of  
 legal matters, documents or proceedings, or legal conclusions,  
 has been reviewed by such counsel and is correct in all  
 material respects. The description of the Conversion process  
 under the caption "The Conversion" in the Prospectus has been  
 reviewed by such counsel and is in all material respects  
 correct. The discussion of statutes or regulations described  
 or referred to in the Prospectus are accurate summaries and  
 fairly present the information required to be shown. The  
 information under the caption "The Conversion-Tax Aspects" has  
 been reviewed by such counsel and constitutes a  
  
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 correct summary of the opinions rendered by Luse, Lehman,  
 Xxxxxx, Xxxxxxxx & Xxxxxx, P.C. and [KPMG] to the Company, the  
 MHC, the Mid-Tier Holding Company, and the Bank with respect  
 to such matters.  
  
 In giving such opinion, such counsel may rely as to  
 all matters of fact on certificates of officers or directors  
 of the Company, the MHC, the Mid-Tier Holding Company, and the  
 Bank and certificates of public officials. Such counsel's  
 opinion shall be limited to matters governed by federal laws,  
 the State of Delaware General Corporation Law and the Sate of  
 [New Jersey] General Corporation Law. With respect to matters  
 involving the application of Delaware and New Jersey laws,  
 such counsel may rely, to the extent it deems proper and as  
 specified in its opinion, upon the opinion of local counsel  
 (providing that such counsel states that it believes the Agent  
 is justified in relying upon such specified opinion or  
 opinions). The opinion of Luse, Lehman, Xxxxxx, Xxxxxxxx &  
 Xxxxxx, P.C. shall be governed by the Legal Opinion Accord  
 ("Accord") of the American Bar Association Section of Business  
 Law (1991). The term "Actual Knowledge" as used herein shall  
 have the meaning set forth in the Accord. For purposes of such  
 opinion, no proceedings shall be deemed to be pending, no  
 order or stop order shall be deemed to be issued, and no  
 action shall be deemed to be instituted unless, in each case,  
 a director or executive officer of the Company, the MHC, the  
 Mid-Tier Holding Company, or the Bank shall have received a  
 copy of such proceedings, order, stop order or action. In  
 addition, such opinion may be limited to present statutes,  
 regulations and judicial interpretations and to facts as they  
 presently exist; in rendering such opinion, such counsel need  
 assume no obligation to revise or supplement it should the  
 present laws be changed by legislative or regulatory action,  
 judicial decision or otherwise; and such counsel need express  
 no view, opinion or belief with respect to whether any  
 proposed or pending legislation, if enacted, or any proposed  
 or pending regulations or policy statements issued by any  
 regulatory agency, whether or not promulgated pursuant to any  
 such legislation, would affect the validity of the Conversion  
 or any aspect thereof. Such counsel may assume that any  
 agreement is the valid and binding obligation of any parties  
 to such agreement other than the Company, the MHC, the  
 Mid-Tier Holding Company, or the Bank.  
  
 In addition, such counsel shall provide a letter  
 stating that during the preparation of the Conversion  
 Application, the Registration Statement and the Prospectus,  
 they participated in conferences with certain officers of, the  
 independent public and internal accountants for, and other  
 representatives of the Company, the MHC, the Mid-Tier Holding  
 Company, and the Bank, at which conferences the contents of  
 the Conversion Application, the Registration Statement and the  
 Prospectus and related matters were discussed and, while such  
 counsel has not confirmed the accuracy or completeness of or  
 otherwise verified the information contained in the Conversion  
 Application, the Registration Statement or the Prospectus, and  
 does not assume any responsibility for such information, based  
 upon such conferences and a review of documents deemed  
  
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 relevant for the purpose of rendering their opinion (relying  
 as to materiality as to factual matters on certificates of  
 officers and other factual representations by the Company, the  
 MHC, the Mid-Tier Holding Company, and the Bank), nothing has  
 come to their attention that would lead them to believe that  
 the Conversion Application, the Registration Statement, the  
 Prospectus, or any amendment or supplement thereto (other than  
 the financial statements, the notes thereto, accounting  
 information and other tabular, financial, statistical and  
 appraisal data included therein as to which no opinion need be  
 rendered) contained an untrue statement of a material fact or  
 omitted to state a material fact required to be stated therein  
 or necessary to make the statements therein, in light of the  
 circumstances under which they were made, not misleading.  
  
 (2) The favorable opinion, dated as of the Closing  
 Date and addressed to the Agent and for its benefit, of the  
 Bank's local counsel, in form and substance to the effect  
 that, to the best of such counsel's knowledge, (i) the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank  
 have good and marketable title to all properties and assets  
 which are material to the business of the Company, the MHC,  
 the Mid-Tier Holding Company, and the Bank and to those  
 properties and assets described in the Registration Statement  
 and Prospectus, as owned by them, free and clear of all liens,  
 charges, encumbrances or restrictions, except such as are  
 described in the Registration Statement and Prospectus, or are  
 not material in relation to the business of the Company, the  
 MHC, the Mid-Tier Holding Company, and the Bank considered as  
 one enterprise; and (ii) all of the leases and subleases  
 material to the business of the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank under which the Company, the  
 MHC, the Mid-Tier Holding Company, and the Bank hold  
 properties, as described in the Registration Statement and  
 Prospectus, are in full force and effect; (iii) the Company  
 and the Bank are duly qualified as foreign corporations to  
 transact business and are in good standing in each  
 jurisdiction in which their ownership of property or leasing  
 of property or the conduct of their business requires such  
 qualification, unless the failure to be so qualified in one or  
 more of such jurisdictions would not have a material adverse  
 effect on the condition, financial or otherwise, or the  
 business, operations or income of the Company or the Bank; and  
 (iv) the MHC and the Mid-Tier Holding Company are duly  
 qualified as foreign corporations to transact business and are  
 in good standing in each jurisdiction in which their ownership  
 of property or leasing of property or the conduct of their  
 business requires such qualification, unless the failure to be  
 so qualified in one or more of such jurisdictions would not  
 have a material adverse effect on the condition, financial or  
 otherwise, or the business, operations or income of the MHC or  
 the Mid-Tier Holding Company.  
  
 (3) The favorable opinion, dated as of the Closing  
 Date, of Xxxxxxx, Spidi, Sloane & Xxxxx, P.C., the Agent's  
 counsel, with respect to such matters as the Agent may  
 reasonably require. Such opinion may rely as to matters of  
 fact, upon certificates of officers and directors of the  
 Company, the MHC, the  
  
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 Mid-Tier Holding Company, and the Bank delivered pursuant  
 hereto or as such counsel shall reasonably request.  
  
 (d) At the Closing Date, the Agents shall receive a  
 certificate of the Chief Executive Officer and the Chief Financial  
 Officer of the Company and a certificate of the Chief Executive Officer  
 and the Chief Financial Officer of the MHC, the Mid-Tier Holding  
 Company, and the Bank, both dated as of such Closing Date, to the  
 effect that: (i) they have reviewed the Prospectus and, in their  
 opinion, at the time the Prospectus became authorized for final use,  
 the Prospectus did not contain any untrue statement of a material fact  
 or omit to state a material fact necessary in order to make the  
 statements therein, in light of the circumstances under which they were  
 made, not misleading; (ii) since the date the Prospectus became  
 authorized for final use, no material adverse change in the condition,  
 financial or otherwise, or in the earnings, capital, properties or  
 business of the Company, the MHC, the Mid-Tier Holding Company, and the  
 Bank has occurred and, to their knowledge, no other event has occurred,  
 which should have been set forth in an amendment or supplement to the  
 Prospectus which has not been so set forth, and the conditions set  
 forth in this Section 7 have been satisfied; (iii) since the respective  
 dates as of which information is given in the Registration Statement  
 and Prospectus, there has been no material adverse change in the  
 condition, financial or otherwise, or in the earnings, capital or  
 properties of the Company, the MHC, the Mid-Tier Holding Company, or  
 the Bank, independently, or of the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank considered as one enterprise, whether or  
 not arising in the ordinary course of business; (iv) the  
 representations and warranties in Section 4 are true and correct with  
 the same force and effect although expressly made at and as of the  
 Closing Date; (v) the Company, the MHC, the Mid-Tier Holding Company,  
 and the Bank have complied in all material respects with all agreements  
 and satisfied all conditions on their part to be performed or satisfied  
 at or prior to the Closing Date; (vi) no stop order suspending the  
 effectiveness of the Registration Statement has been initiated or, to  
 the best knowledge of the Company, the MHC, the Mid-Tier Holding  
 Company, or the Bank, threatened by the Commission or any state  
 authority; (vii) no order suspending the Offerings, the Conversion, the  
 acquisition of all of the shares of the Bank by the Company or the  
 effectiveness of the Prospectus has been issued and no proceedings for  
 that purpose are pending or, to the best knowledge of the Company, the  
 MHC, the Mid-Tier Holding Company, or the Bank, threatened by the OTS,  
 the Commission or any state authority; and (viii) to the best knowledge  
 or the Company or the Bank, no person has sought to obtain review of  
 the final action of the OTS approving the Plan.  
  
 (e) Prior to and at the Closing Date: (i) in the reasonable  
 opinion of the Agent, there shall have been no material adverse change  
 in the condition, financial or otherwise (other than as a result of a  
 change in law or regulation and affecting the savings association  
 industry as a whole), or in the earnings or business of the Company,  
 the MHC, the Mid-Tier Holding Company, or the Bank independently, or of  
 the Company, the MHC, the Mid-Tier Holding Company, and the Bank  
 considered as one enterprise, from that as of the latest dates as of  
 which such condition is set forth in the  
  
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 Prospectus other than transactions referred to or contemplated therein;  
 (iii) the Company, the MHC, the Mid-Tier Holding Company, or the Bank  
 shall not have received from the OTS or the FDIC any direction (oral or  
 written) to make any material change in the method of conducting their  
 business with which it has not complied (which direction, if any, shall  
 have been disclosed to the Agents) or which materially and adversely  
 would affect the business, operations or financial condition or income  
 of the Company, the MHC, the Mid-Tier Holding Company, and the Bank  
 considered as one enterprise; (iv) the Company, the MHC, the Mid-Tier  
 Holding Company, and the Bank shall not have been in default (nor shall  
 any event have occurred which, with notice or lapse of time or both,  
 would constitute a default) under any provision of any agreement or  
 instrument relating to any outstanding indebtedness; (v) no action,  
 suit or proceedings, at law or in equity or before or by any federal or  
 state commission, board or other administrative agency, shall be  
 pending or, to the knowledge of the Company, the MHC, the Mid-Tier  
 Holding Company, or the Bank, threatened against the Company, the MHC,  
 the Mid-Tier Holding Company, or the Bank or affecting any of their  
 properties wherein an unfavorable decision, ruling or finding would  
 materially and adversely affect the business operations, financial  
 condition or income of the Company, the MHC, the Mid-Tier Holding  
 Company, and the Bank considered as one enterprise; and (vi) the Shares  
 have been qualified or registered for offering and sale or exempted  
 therefrom under the securities or blue sky laws of the jurisdictions as  
 the Agents shall have requested and as agreed to by the Company and the  
 Bank.  
  
 (f) Concurrently with the execution of this Agreement, the  
 Agents shall receive a letter from KPMG dated as of the date of the  
 Prospectus and addressed to the Agent: (i) confirming that KPMG is a  
 firm of independent public accountants within the meaning of Rule 101  
 of the Code of Professional Ethics of the American Institute of  
 Certified Public Accountants and applicable regulations of the 1933 Act  
 and the 33 Act Regulations and stating in effect that in KPMG's opinion  
 the consolidated financial statements of the Mid-Tier Holding Company  
 as of September 30, 1997 and 1996 and for each of the three years in  
 the period ended September 30, 1997, as are included in the Prospectus  
 and covered by their opinion included therein, comply as to form in all  
 material respects with the applicable accounting requirements and  
 related published rules and regulations of the Commission, the  
 Securities Exchange Act of 1934, as amended, and the 1933 Act; (ii) a  
 statement from KPMG in effect that, on the basis of certain agreed upon  
 procedures (but not an audit in accordance with generally accepted  
 auditing standards) consisting of a reading of the latest available  
 unaudited interim consolidated financial statements of the Mid-Tier  
 Holding Company prepared by the Mid-Tier Holding Company, a reading of  
 the minutes of the meetings of the Board of Directors and stockholders  
 of the Mid-Tier Holding Company and consultations with officers of the  
 Mid-Tier Holding Company responsible for financial and accounting  
 matters, nothing came to their attention which caused them to believe  
 that: (A) the unaudited consolidated financial statements included in  
 the Prospectus, are not in conformity with the 1933 Act, applicable  
 accounting requirements of the Commission and generally accepted  
 accounting principles applied on a basis substantially consistent with  
 that of the audited financial statements included in the Prospectus; or  
 (B) during the period from the date of the latest  
  
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 unaudited consolidated financial statements included in the Prospectus  
 to a specified date not more than three business days prior to the date  
 of the Prospectus, except as has been described in the Prospectus,  
 there was any material increase in borrowings, other than normal  
 deposit fluctuations, by the Bank or the Mid-Tier Holding Company; or  
 (C) there was any decrease in consolidated net assets of the Mid-Tier  
 Holding Company at the date of such letter as compared with amounts  
 shown in the latest unaudited consolidated statement of condition  
 included in the Prospectus; and (iii) a statement from KPMG that, in  
 addition to the audit referred to in their opinion included in the  
 Prospectus and the performance of the procedures referred to in clause  
 (ii) of this subsection (f), they have compared with the general  
 accounting records of the Mid-Tier Holding Company, which are subject  
 to the internal controls of the Mid-Tier Holding Company, the  
 accounting system and other data prepared by the Mid-Tier Holding  
 Company, directly from such accounting records, to the extent specified  
 in such letter, such amounts and/or percentages set forth in the  
 Prospectus as the Agent may reasonably request; and they have reported  
 on the results of such comparisons.  
  
 (g) At the Closing Date, the Agent shall receive a letter from  
 KPMG dated the Closing Date, addressed to the Agent, confirming the  
 statements made by them in the letter delivered by them pursuant to  
 subsection (f) of this Section 7, the "specified date" referred to in  
 clause (ii) of subsection (f) thereof to be a date specified in such  
 letter, which shall not be more than three business days prior to the  
 Closing Date.  
  
 (h) At the Closing Date, the Agent shall receive a letter from  
 FinPro Inc., dated the date thereof and addressed to counsel for the  
 Agent (i) confirming that said firm is independent of the Company, the  
 MHC, the Mid-Tier Holding Company, and the Bank and is experienced and  
 expert in the area of corporate appraisals within the meaning of Title  
 12 of the Code of Federal Regulations, Part 303, (ii) stating in effect  
 that the Appraisal prepared by such firm complies in all material  
 respects with the applicable requirements of Title 12 of the Code of  
 Federal Regulations, and (iii) further stating that their opinion of  
 the estimated aggregate pro forma market value of the Company, the MHC,  
 the Mid-Tier Holding Company, and the Bank expressed in their Appraisal  
 dated as of December 17, 1997, and most recently updated, remains in  
 effect.  
  
 (i) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank shall not have sustained since the date of the latest audited  
 financial statements included in the Prospectus any material loss or  
 interference with their businesses from fire, explosion, flood or other  
 calamity, whether or not covered by insurance, or from any labor  
 dispute or court or governmental action, order or decree, otherwise  
 than as set forth or contemplated in the Registration Statement and  
 Prospectus.  
  
 (j) At or prior to the Closing Date, the Agent shall receive:  
 (i) a copy of the letter from the OTS approving the Conversion  
 Application and authorizing the use of the Prospectus; (ii) a copy of  
 the order from the Commission declaring the Registration Statement  
 effective; (iii) certificates from the OTS evidencing the existence of  
 the Bank, the Mid-Tier Holding Company and the MHC; (iv) certificates  
 of good standing from the  
  
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 State of Delaware evidencing the good standing of the Company; (v) a  
 certificate from the FDIC evidencing the Bank's insurance of accounts,  
 (vi) a certificate of the FHLB-New York evidencing the Bank's  
 membership thereof; and (vii) a copy of the letter from the OTS  
 approving the Company's Holding Company Application.  
  
 (k) As soon as available after the Closing Date, the Agent  
 shall receive, upon request, a copy of the Company's Delaware  
 Certificate of Incorporation.  
  
 (l) Subsequent to the date hereof, there shall not have  
 occurred any of the following: (i) a suspension or limitation in  
 trading in securities generally on the New York Stock Exchange or in  
 the over-the-counter market, or quotations halted generally on the  
 Nasdaq National Market, or minimum or maximum prices for trading have  
 been fixed, or maximum ranges for prices for securities have been  
 required by either of such exchanges or the NASD or by order of the  
 Commission or any other governmental authority; (ii) a general  
 moratorium on the operations of commercial banks or federal savings  
 associations or a general moratorium on the withdrawal of deposits from  
 commercial banks or federal savings associations declared by federal or  
 state authorities; (iii) the engagement by the United States in  
 hostilities which have resulted in the declaration, on or after the  
 date hereof, of a national emergency or war; or (iv) a material decline  
 in the price of equity or debt securities if the effect of such a  
 declaration or decline, in the Agent's reasonable judgment, makes it  
 impracticable or inadvisable to proceed with the Offerings or the  
 delivery of the shares on the terms and in the manner contemplated in  
 the Registration Statement and Prospectus.  
  
 Section 8. Indemnification.  
  
 (a) The Company, the MHC, the Mid-Tier Holding Company, and  
 the Bank jointly and severally agree to indemnify and hold harmless the  
 Agent, its officers, directors, agents, servants and employees and each  
 person, if any, who controls the Agent within the meaning of Section 15  
 of the 1933 Act or Section 20(a) of the 1934 Act, against any and all  
 loss, liability, claim, damage or expense whatsoever (including but not  
 limited to settlement expenses), joint or several, that the Agent or  
 any of them may suffer or to which the Agent and any such persons may  
 become subject under all applicable federal or state laws or otherwise,  
 and to promptly reimburse the Agent and any such persons upon written  
 demand for any expense (including fees and disbursements of counsel)  
 incurred by the Agent or any of them in connection with investigating,  
 preparing or defending any actions, proceedings or claims (whether  
 commenced or threatened) to the extent such losses, claims, damages,  
 liabilities or actions: (i) arise out of or are based upon any untrue  
 statement or alleged untrue statement of a material fact contained in  
 the Registration Statement (or any amendment or supplement thereto),  
 preliminary or final Prospectus (or any amendment or supplement  
 thereto), the Conversion Application (or any amendment or supplement  
 thereto), the Holding Company Application or any blue sky application  
 or other instrument or document executed by the Company, the MHC, the  
 Mid-Tier Holding Company, or the Bank based upon written information  
 supplied by the Company, the MHC, the Mid-Tier Holding  
  
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 Company, or the Bank filed in any state or jurisdiction to register or  
 qualify any or all of the Shares or to claim an exemption therefrom, or  
 provided to any state or jurisdiction to exempt the Company as a  
 broker-dealer or its officers, directors and employees as  
 broker-dealers or agents, under the securities laws thereof  
 (collectively, the "Blue Sky Application"), or any application or other  
 document, advertisement, oral statement or communication ("Sales  
 Information") prepared, made or executed by or on behalf of the  
 Company, the MHC, the Mid-Tier Holding Company, or the Bank with their  
 consent or based upon written or oral information furnished by or on  
 behalf of the Company, the MHC, the Mid-Tier Holding Company, or the  
 Bank, whether or not filed in any jurisdiction, in order to qualify or  
 register the Shares or to claim an exemption therefrom under the  
 securities laws thereof; (ii) arise out of or based upon the omission  
 or alleged omission to state in any of the foregoing documents or  
 information, a material fact required to be stated therein or necessary  
 to make the statements therein, in light of the circumstances under  
 which they were made, not misleading; or (iii) arise from any theory of  
 liability whatsoever relating to or arising from or based upon the  
 Registration Statement (or any amendment or supplement thereto),  
 preliminary or final Prospectus (or any amendment or supplement  
 thereto), the Conversion Application (or any amendment or supplement  
 thereto), any Blue Sky Application or Sales Information or other  
 documentation distributed in connection with the Conversion; provided,  
 however, that no indemnification is required under this paragraph (a)  
 to the extent such losses, claims, damages, liabilities or actions  
 arise out of or are based upon any untrue material statement or alleged  
 untrue material statements in, or material omission or alleged material  
 omission from, the Registration Statement (or any amendment or  
 supplement thereto), preliminary or final Prospectus (or any amendment  
 or supplement thereto), the Conversion Application, any Blue Sky  
 Application or Sales Information made in reliance upon and in  
 conformity with information furnished in writing to the Company or the  
 Bank by the Agent regarding the Agent and provided further that such  
 indemnification shall be to the extent permitted by the OTS and the  
 FDIC. The Bank will not be liable to any indemnified party under the  
 foregoing indemnification and reimbursement provisions, (i) for any  
 settlement by an indemnified party effected without its prior written  
 consent; or (ii) to the extent that any loss, claim, damage or  
 liability is found in a final judgement by a court to have resulted  
 primarily from the Agent's gross negligence or willful misconduct. The  
 Agent shall repay to the Bank any amounts paid by the Bank for  
 reimbursement of the Agent's and any indemnified party's expenses in  
 the event that such expenses were incurred in relation to an act or  
 omission with respect to which it is finally determined that the Agent  
 has acted in gross negligence or with willful misconduct. The Bank also  
 agrees that no indemnified party shall have any liability (whether  
 direct or indirect, in contract or tort or otherwise) to the Bank or  
 its security holders or creditors related to or arising out of the  
 engagement of the Agent pursuant to, or the performance by the Agent of  
 the services contemplated by, this Agreement except to the extent that  
 any loss, claim, damage or liability is found in a final judgement by a  
 court to have resulted primarily from the Agent's gross negligence or  
 willful misconduct.  
  
 (b) The Agent agrees to indemnify and hold harmless the  
 Company, the MHC, the Mid-Tier Holding Company, and the Bank, their  
 directors and officers and each  
  
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 person, if any, who controls the Company, the MHC, the Mid-Tier Holding  
 Company, or the Bank within the meaning of Section 15 of the 1933 Act  
 or Section 20(a) of the 1934 Act against any and all loss, liability,  
 claim, damage or expense whatsoever (including but not limited to  
 settlement expenses), joint or several, which they, or any of them, may  
 suffer or to which they, or any of them may become subject under all  
 applicable federal and state laws or otherwise, and to promptly  
 reimburse the Company, the MHC, the Bank, and any such persons upon  
 written demand for any expenses (including reasonable fees and  
 disbursements of counsel) incurred by them, or any of them, in  
 connection with investigating, preparing or defending any actions,  
 proceedings or claims (whether commenced or threatened) to the extent  
 such losses, claims, damages, liabilities or actions arise out of or  
 are based upon any untrue statement or alleged untrue statement of a  
 material fact contained in the Registration Statement (or any amendment  
 or supplement thereto), the Conversion Application (or any amendment or  
 supplement thereto) or the preliminary or final Prospectus (or any  
 amendment or supplement thereto), or are based upon the omission or  
 alleged omission to state in any of the foregoing documents a material  
 fact required to be stated therein or necessary to make the statements  
 therein, in the light of the circumstances under which they were made,  
 not misleading; provided, however, that the Agent's obligations under  
 this Section 8(b) shall exist only if and only to the extent (i) that  
 such untrue statement or alleged untrue statement was made in, or such  
 material fact or alleged material fact was omitted from, the  
 Registration Statement (or any amendment or supplement thereto), the  
 preliminary or final Prospectus (or any amendment or supplement  
 thereto) or the Conversion Application (or any amendment or supplement  
 thereto), any Blue Sky Application or Sales Information in reliance  
 upon and in conformity with information furnished in writing to the  
 Company or the Bank by the Agent regarding the Agent. In no case shall  
 the Agent be liable or responsible for any amount in excess of the fees  
 received by the Agent pursuant to Section 2 of this Agreement.  
  
 (c) Each indemnified party shall given prompt written notice  
 to each indemnifying party of any action, proceeding, claim (whether  
 commenced or threatened), or suit instituted against it in respect of  
 which indemnity may be sought hereunder, but failure to so notify an  
 indemnifying party shall not relieve it from any liability which it may  
 have on account of this Section 8 or otherwise. An indemnifying party  
 may participate at its own expense in the defense of such action. In  
 addition, if it so elects within a reasonable time after receipt of  
 such notice, an indemnifying party, jointly with any other indemnifying  
 parties receiving such notice, may assume defense of such action with  
 counsel chosen by it and approved by the indemnified parties that are  
 defendants in such action, unless such indemnified parties reasonably  
 object to such assumption on the ground that there may be legal  
 defenses available to them that are different from or in addition to  
 those available to such indemnifying party. If an indemnifying party  
 assumes the defense of such action, the indemnifying parties shall not  
 be liable for any fees and expenses of counsel for the indemnified  
 parties incurred thereafter in connection with such action, proceeding  
 or claim, other than reasonable costs of investigation. In no event  
 shall the indemnifying parties be liable for the fees and expenses of  
 more than one separate firm of attorneys (and any special counsel that  
 said firm may retain) for each  
  
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 indemnified party in connection with any one action, proceeding or  
 claim or separate but similar or related actions, proceedings or claims  
 in the same jurisdiction arising out of the same general allegations or  
 circumstances.  
  
 (d) The agreements contained in this Section 8 and in Section  
 9 hereof and the representations and warranties of the Company, the  
 MHC, the Mid-Tier Holding Company, and the Bank set forth in this  
 Agreement shall remain operative and in full force and effect  
 regardless of: (i) any investigation made by or on behalf of the Agent  
 or its officers, directors or controlling persons, agents or employees  
 or by or on behalf of the Company, the MHC, the Mid-Tier Holding  
 Company, or the Bank or any officers, directors or controlling persons,  
 agents or employees of the Company, the MHC, the Mid-Tier Holding  
 Company, or the Bank; (ii) deliver of and payment hereunder for the  
 Shares; or (iii) any termination of this Agreement.  
  
 (e) To the extent required by law, this Section 8 is subject  
 to and limited by the provisions of Sections 23A and 23B of the Federal  
 Reserve Act, 12 U.S.C. Sections 371c and 371c-1 ("Sections 23A and  
 23B").  
  
 Section 9. Contribution. In order to provide for just and equitable  
contribution in circumstances in which the indemnification provided for in  
Section 8 is due in accordance with its terms but is for any reason held by a  
court to be unavailable from the Company, the Mid-Tier Holding Company, the Bank  
or the Agent, the Company, the Bank and the Agent shall contribute to the  
aggregate losses, claims, damages and liabilities (including any investigation,  
legal and other expenses incurred in connection with, and any amount paid in  
settlement of, any action, suit or proceeding of any claims asserted, but after  
deducting any contribution received by the Company, the Mid-Tier Holding  
Company, the Bank or the Agent from persons other than the other party thereto,  
who may also be liable for contribution) in such proportion so that the Agent  
are responsible for that portion represented by the percentage that the fees  
paid to the Agent pursuant to Section 2 of this Agreement (not including  
expenses) bears to the gross proceeds received by the Company from the sale of  
the Shares in the Offerings and the Company, the Mid-Tier Holding Company, and  
the Bank shall be responsible for the balance. If, however, the allocation  
provided above is not permitted by applicable law or if the indemnified party  
failed to give the notice required under Section 8 above, then each indemnifying  
party shall contribute to such amount paid or payable by such indemnified party  
in such proportion as is appropriate to reflect not only such relative fault of  
the Company, the Mid-Tier Holding Company, and the Bank on the one hand and the  
Agent on the other in connection with the statements or omissions which resulted  
in such losses, claims, damages or liabilities (or actions, proceedings or  
claims in respect thereto), but also the relative benefits received by the  
Company, the Mid-Tier Holding Company, and the Bank on the one hand and the  
Agent on the other from the Offerings (before deducting expenses). The relative  
fault shall be determined by reference to, among other things, whether the  
untrue or alleged untrue statement of a material fact or the omission or alleged  
omission to state a material fact relates to information supplied by the  
Company, the Mid-Tier Holding Company, and/or the Bank on the one hand or the  
Agent on the other and the parties' relative intent, good faith, knowledge,  
access to information and opportunity to correct or prevent such statement or  
omission. The  
  
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Company, the Mid-Tier Holding Company, the Bank and the Agent agree that it  
would not be just and equitable if contribution pursuant to this Section 9 were  
determined by pro-rata allocation or by any other method of allocation which  
does not take into account the equitable considerations referred to above in  
this Section 9. The amount paid or payable by an indemnified party as a result  
of the losses, claims, damages or liabilities (or actions, proceedings or claims  
in respect thereof) referred to above in this Section 9 shall be deemed to  
include any legal or other expenses reasonably incurred by such indemnified  
party in connection with investigating or defending any such action, proceeding  
or claim. It is expressly agreed that the Agent shall not be liable for any  
loss, liability, claim, damage or expense or be required to contribute any  
amount which in the aggregate exceeds the amount paid (excluding reimbursable  
expenses) to the Agent under this Agreement. It is understood that the above  
stated limitation on the Agent's liability is essential to the Agent and that  
the Agent would not have entered into this Agreement if such limitation had not  
been agreed to by the parties to this Agreement. No person found guilty of any  
fraudulent misrepresentation (within the meaning of Section 11(f) of the 0000  
Xxx) shall be entitled to contribution from any person who was not found guilty  
of such fraudulent misrepresentation. The obligations of the Company, the  
Mid-Tier Holding Company, and the Bank under this Section 9 and under Section 8  
shall be in addition to any liability which the Company, the Mid-Tier Holding  
Company, and the Bank may otherwise have. For purposes of this Section 9, each  
of the Agent's, the Company's or the Bank's officers and directors and each  
person, if any, who controls the Agent or the Company or the Bank within the  
meaning of the 1933 Act and the 1934 Act shall have the same rights to  
contribution as the Agent, the Company, the Mid-Tier Holding Company, or the  
Bank. Any party entitled to contribution, promptly after receipt of notice of  
commencement of any action, suit, claim or proceeding against such party in  
respect of which a claim for contribution may be made against another party  
under this Section 9, will notify such party from whom contribution may be  
sought, but the omission to so notify such party shall not relieve the party  
from whom contribution may be sought from any other obligation it may have  
hereunder or otherwise than under this Section 9. To the extent required by law,  
this Section 9 is subject to and limited by the provisions of Sections 23A and  
23B.  
  
 Section 10. Survival of Agreements, Representations and Indemnities.  
The respective indemnities of the Company, the MHC, the Mid-Tier Holding  
Company, the Bank and the Agent and the representations and warranties and other  
statements of the Company and the Bank set forth in or made pursuant to this  
Agreement shall remain in full force and effect, regardless of any termination  
or cancellation of this Agreement or any investigation made by or on behalf of  
the Agent, the Company, the MHC, the Mid-Tier Holding Company, the Bank or any  
controlling person referred to in Section 8 hereof, and shall survive the  
issuance of the Shares, and any legal representative, successor or assign of the  
Agent, the MHC, the Mid-Tier Holding Company, the Company, the Bank, and any  
such controlling person shall be entitled to the benefit of the respective  
agreements, indemnities, warranties and representations.  
  
 Section 11. Termination. The Agent may terminate its obligations under  
this Agreement by giving the notice indicated below in this Section 11 at any  
time after this Agreement becomes effective as follows:  
  
  
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 (a) In the event the Company fails to sell a minimum number of  
 shares of the Conversion Stock by \_\_\_\_\_\_\_\_\_ \_\_\_, 1998, and in  
 accordance with the provisions of the Plan or as required by the  
 Conversion Regulations, and applicable law, this Agreement shall  
 terminate upon refund by the Bank to each person who has subscribed for  
 or ordered any of the Conversion Stock the full amount which it may  
 have received from such person, together with interest as provided in  
 the Prospectus, and no party to this Agreement shall have any  
 obligation to the other hereunder, except for payment by the Company  
 and/or the Bank as set forth in Sections 2(a) and (d), 6, 8 and 9  
 hereof.  
  
 (b) If any of the conditions specified in Section 7 shall not  
 have been fulfilled when and as required by this Agreement unless  
 waived in writing, or by the Closing Date, this Agreement and all of  
 the Agent's obligations hereunder may be canceled by the Agent by  
 notifying the Company, the MHC, the Mid-Tier Holding Company, and the  
 Bank of such cancellation in writing or by telegram at any time at or  
 prior to the Closing Date, and any such cancellation shall be without  
 liability of any party to any other party except as otherwise provided  
 in Sections 2, 6, 8 and 9 hereof.  
  
 (c) If the Agent elects to terminate this Agreement as  
 provided in this Section, the Company, the MHC, the Mid-Tier Holding  
 Company, and the Bank shall be notified promptly by the Agent by  
 telephone or telegram, confirmed by letter.  
  
 The Company, the MHC, the Mid-Tier Holding Company, and the Bank may  
terminate this Agreement in the event the Agent is in material breach of the  
representations and warranties or covenants contained in Section 5 and such  
breach has not been cured after the Company and the Bank have provided the Agent  
with notice of such breach.  
  
 This Agreement may also be terminated by mutual written consent of the  
parties hereto.  
  
 Section 12. Notices. All communications hereunder, except as herein  
otherwise specifically provided, shall be mailed in writing and if sent to the  
Agent shall be mailed, delivered or telegraphed and confirmed to Friedman,  
Billings, Xxxxxx & Co., Inc., 0000 00xx Xxxxxx Xxxxx, Xxxxxxxxx, Xxxxxxxx  
00000-0000, Attention: Xxxxxxx X. Xxxxxxx (with a copy to to Xxxxxxx, Spidi,  
Sloane & Xxxxx, P.C., Attention: Xxxxxxx X. Xxxxxx, Esq.) and, if sent to the  
Company, the MHC, the Mid-Tier Holding Company, and the Bank, shall be mailed,  
delivered or telegraphed and confirmed to the Company, the MHC, the Mid-Tier  
Holding Company, and the Bank at 000 Xxxxxxxx Xxxxxx Xxxx, Xxxxxxx, Xxx Xxxxxx  
00000, Attention: Xxxxxxx X. Xxxxxxxxxx, President and Chief Executive Officer  
(Luse, Lehman, Xxxxxx, & Xxxxxx, P.C., Attention: Xxxx X. Xxxxxx, Esq.)  
  
 Section 13. Parties. The Company, the MHC, the Mid-Tier Holding  
Company, and the Bank shall be entitled to act and rely on any request, notice,  
consent, waiver or agreement purportedly given on behalf of the Agent, when the  
same shall have been given by the undersigned. The Agent shall be entitled to  
act and rely on any request, notice, consent, waiver or agreement purportedly  
given on behalf of the Company, the MHC, the Mid-Tier Holding Company, or the  
Bank, when the same shall have been given by the undersigned or any other  
  
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officer of the Company, the MHC, the Mid-Tier Holding Company, or the Bank. This  
Agreement shall inure solely to the benefit of, and shall be binding upon, the  
Agent, the Company, the MHC, the Bank, and their respective successors, legal  
representatives and assigns, and no other person shall have or be construed to  
have any legal or equitable right, remedy or claim under or in respect of or by  
virtue of this Agreement or any provision herein contained. It is understood and  
agreed that this Agreement is the exclusive agreement among the parties hereto,  
and supersedes any prior agreement among the parties and may not be varied  
except in writing signed by all the parties.  
  
 Section 14. Closing. The closing for the sale of the Conversion Stock  
shall take place on the Closing Date at such location as mutually agreed upon by  
the Agent and the Company, the MHC, the Mid-Tier Holding Company, and the Bank.  
At the closing, the Company, the MHC, the Mid-Tier Holding Company, and the Bank  
shall deliver to the Agent in next day funds the commissions, fees and expenses  
due and owing to the Agent as set forth in Sections 2 and 6 hereof and the  
opinions and certificates required hereby and other documents deemed reasonably  
necessary by the Agent shall be executed and delivered to effect the sale of the  
Shares as contemplated hereby and pursuant to the terms of the Prospectus.  
  
 Section 15. Partial Invalidity. In the event that any term, provision  
or covenant herein or the application thereof to any circumstance or situation  
shall be invalid or unenforceable, in whole or in part, the remainder hereof and  
the application of said term, provision or covenant to any other circumstances  
or situation shall not be affected thereby, and each term, provision or covenant  
herein shall be valid and enforceable to the full extent permitted by law.  
  
 Section 16. Construction. This Agreement shall be construed in  
accordance with the laws of the State of Delaware.  
  
 Section 17. Counterparts. This Agreement may be executed in separate  
counterparts, each of which so executed and delivered shall be an original, but  
all of which together shall constitute but one and the same instrument.  
  
  
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 If the foregoing correctly sets forth the arrangement among the  
Company, the MHC, the Mid-Tier Holding Company, the Bank, and the Agent, please  
indicate acceptance thereof in the space provided below for that purpose,  
whereupon this letter and the Agent's acceptance shall constitute a binding  
agreement.  
  
 Very truly yours,  
  
PEOPLES BANCORP, INC. TRENTON SAVINGS BANK, FSB  
a Delaware corporation  
  
  
  
By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Xxxxxxx X. Xxxxxxxxxx Xxxxxxx X. Xxxxxxxxxx  
 President and Chief Executive President and Chief Executive  
 Officer Officer  
  
  
PEOPLES BANCORP, M.H.C. PEOPLES BANCORP, INC.  
 a Federal corporation  
  
  
  
By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Xxxxxxx X. Xxxxxxxxxx Xxxxxxx X. Xxxxxxxxxx  
 President and Chief Executive President and Chief Executive  
 Officer Officer  
  
  
Accepted as of the date first above written  
  
FRIEDMAN, BILLINGS, XXXXXX & CO., INC.  
  
  
  
By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Xxxxxxx X. Xxxxxxxx  
 Chairman  
  
  
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