FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **1998-02-25**
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SUBJECT COMPANY

WAYNE BANCORP INC /DE/

CIK:**1011032**| IRS No.: **223424621** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-46819** | Film No.: **98548844**
SIC: **6035** Savings institution, federally chartered

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UNITED STATES
SECURlTIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No.10)*

WAYNE BANCORP, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

944291103

(CUSIP Number)

Richard Whitman, c/o The Benchmark Company, Inc., 750 Lexington Avenue, New York, NY 10022
(212) 421-4080

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

February 17, 1998

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-l(f) or (g), check the following box --.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits should be filed with the Commission. See Rule 13d-7(b) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SEC 1746(12-91)

The statement on Schedule 13D which was filed on August 5, 1996, Amendment #1 filed on August 27, 1996, Amendment #2 filed on September 4, 1996, Amendment #3 filed on October 15, 1996, Amendment #4 filed on December 23, 1996, Amendment #5 filed on February 27, 1997, Amendment #6 filed on May 29, 1997, Amendment #7 filed on December 18, 1997, Amendment #8 filed on January 20, 1998 and Amendment #9 filed on January 28, 1998 on behalf of Seidman and Associates, L.L.C. ("SAL"), Seidman and Associates II, L.L.C. ("SALII"), Seidman Investment Partnership, L.P. ("SIP"), Lawrence B. Seidman, Individually ("Seidman"), Benchmark Partners LP ("Partners"), The Benchmark Company, Inc. ("TBCI"), Richard Whitman, Individually ("Whitman"), Lorraine Di Paolo, Individually ("Di Paolo") and Dennis Pollack, Individually ("Pollack") (collectively, the "Reporting Persons") with respect to the Reporting Persons' beneficial ownership of shares of Common Stock, $.01 par value (the "Shares"), of Wayne Bancorp, Inc., a Delaware Corporation (the "Issuer"), is hereby amended as set forth below. Such Statement on Schedule 13D is hereinafter referred to as the "Schedule 13D". Terms used herein which are defined in the Schedule 13D shall have their respective meanings set forth in the Schedule 13D.

2. Identity and Background

Item 2 is amended as follows:

(a) Brant Cali
(b) 11 Commerce Drive, Cranford, New Jersey 07016
(c) Executive Vice President, Mack-Cali Real Estate Corporation (Public REIT)
(d) *See below.
(e) *See below.
(f) U.S.A.

(a) Jonna Cali
(b) 11 Commerce Drive, Cranford, New Jersey 07016
(c) Unemployed
(d) *See below.
(e) *See below.
(f) U.S.A.

(a) Rose Cali
(b) 11 Commerce Drive, Cranford, New Jersey 07016
(c) Unemployed
(d) *See below.

(e) *See below.
(f) U.S.A.
(a) Christopher Cali
(b) 11 Commerce Drive, Cranford, New Jersey 07016
(c) Part-Time Musician
(d) *See below.
(e) *See below.
(f) U.S.A.

(a) John R. Cali
(b) 11 Commerce Drive, Cranford, New Jersey 07016
(c) Executive Vice President, Mack-Cali Real Estate Corporation (Public REIT)
(d) *See below.
(e) *See below.
(f) U.S.A.

(a) Angela Cali Kloby
(b) 11 Commerce Drive, Cranford, New Jersey 07016
(c) Unemployed
(d) *See below.
(e) *See below.
(f) U.S.A.

(a) Joanne Cali
(b) 11 Commerce Drive, Cranford, New Jersey 07016
(c) Unemployed
(d) *See below.
(e) *See below.
(f) U.S.A.

Seidcal & Associates, LLC ("Seidcal") is a Member of SAL and SAL II. All of the above individuals are the Members of Seidcal.

*During the last five years none of the above-named individuals (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to, a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

3. Source or Amount of Funds of Other Consideration

SAL owns 23,701 shares of the Issuer and SAL II owns 53,425 shares. None of the above individuals own any shares personally, but may be deemed to have a beneficial interest in the shares of the Issuer owned by SAL and SAL II because they are members of Seidcal. The purchase of Common Stock by SAL and SAL II were

in margin accounts carried by Bear Stearns Securities Corp. In addition to the Common Stock of the Issuer, SAL and SAL II owns other securities in these accounts. This extension of credit was extended in the ordinary course of business. As of February 17, 1998, SAL has a margin balance of $95,022.43 and SAL II has no margin balance.

4. Purpose of Transaction

Amendment No. 10 is being filed to describe information concerning Seidcal.

In addition, in connection with the refusal by Wayne Bancorp, Inc. to provide certain members of the Committee To Preserve Shareholder Value with its shareholder lists, on February 24, 1998, Judge Amos C. Saunders of the Superior Court of New Jersey, Chancery Division, Passaic County, ordered Wayne Bancorp, Inc. to provide by no later than 4:00 P.M. on February 25, 1998, the shareholder of record list of Wayne Bancorp, Inc., in paper and magnetic form, plus, to the extent they exist, the NOBO, CEDE and Philadep lists, reflecting beneficial ownership as of the record date of February 12, 1998.

5. Interest in Securities of the Issuer.

There have been no purchases or sales in the securities of the Issuer since the filing by the Reporting Persons of Amendment No. 7 to the Schedule 13D.

6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Dennis Pollack is a director of Wayne Bancorp, Inc. ("Bancorp") and Wayne Savings Bank, F.S.B. ("Bank")(Bancorp and the Bank are collectively referred to as "Wayne"). On January 27, 1998, when Mr. Pollack tried to attend the regular monthly meeting of Wayne's Board of Directors, the doors to Wayne's main executive office building were locked, and Mr. Pollack was prevented from attending the Board meeting. On the next morning, January 28, 1998, Harold P. Cook, III, Chairman of the Board and Chief Executive Officer of Bancorp, advised Mr. Pollack that the previous evening, the Board had voted to revoke the grant of 3,347 shares of Wayne stock and the grant of options to purchase 8,367 shares of Wayne stock that had been previously approved unanimously by Wayne's Board (with Mr. Pollack abstaining) at its August 26, 1997 meeting. The minutes from such meeting read as follows:

> In the matter of Dennis Pollack, the Board awarded 3,347 grants and 8,367 options which are the same awards received by each Director. Such awards would vest over five years at a strike price as the day he was elected to the board. This award shall be subject to approval of the shareholders at the next annual meeting and the Company's counsel, Muldoon, Murphy & Faucette. This award was moved by David Collins, seconded by Ronald Higgins and passed with all Directors voting yes except Dennis Pollack who abstained.

The grants to the other directors of Wayne were made pursuant to Wayne's Stock-Based Incentive Plan ("Plan"). Following such meeting, Muldoon forwarded a memorandum dated September 5, 1997 to Ms. Johanna O'Connell, President and Chief Executive Officer of the Bank, which analyzed whether the grants to Mr. Pollack were permissible under governing law and whether stockholder approval was required, and concluded that governing law and the terms of the Plan did not prohibit the grants, but regulatory requirements and Nasdaq listing requirements might make stockholder approval desirable.

Mr. Cook told Mr. Pollack on January 28, 1998 that the decision to revoke the grants was taken at the direction of Wayne's new outside counsel, Samuel J. Malizia, who replaced Muldoon. Mr. Pollack's counsel advised Wayne's counsel on January 29th and February 3rd as to why Wayne's Board's actions appeared to be improper, unfair and a breach of Wayne's obligations to Mr. Pollack on which he had relied for more than five months in serving as a director. By letter dated February 4, 1998, Mr. Pollack advised Mr. Cook and Ms. O'Connell of the same and stated that he did not believe that the Board had a right to revoke its grants of stock and stock options and the Company was required to present such grants to the stockholders of the Company for approval at the next annual meeting of stockholders.

By letter dated February 9, 1998, Mr. Malizia wrote to Mr. Pollack in response to Mr. Pollack's February 4, 1998 letter and stated that:

> . . .it is the Board's position that there is no obligation of the Board to grant stock awards or to seek stockholder approval.
>
> Furthermore, any grant of stock options and/or restricted shares to you raises several regulatory and contractual issues. The Board will be happy to listen to your request on this matter at the next board meeting.

Mr. Malizia's letter makes no reference to (1) the unanimous action taken by Wayne's Board on August 26, 1997, (2) the Muldoon September 5, 1997 memorandum or (3) what regulatory and contractual issues purportedly exist. Wayne's preliminary proxy materials for its 1998 annual meeting of stockholders, which were filed with the Securities and Exchange Commission of February 17, 1998, do not include such matter for consideration at such stockholders meeting.

Material to be filed as Exhibits

Exhibit A	Amended and Restated Agreement of Limited Partnership of Seidman Investment Partnership, L.P., and Amendment #1 to Limited Partnership Certificate of Seidman Investment Partnership, L.P.

Exhibit B	Operating Agreement for Seidman and Associates , LLC.
Exhibit C	Operating Agreement for Seidman and Associates II, LLC
Exhbiit D	Seidman's Letter Agreements with Clients

Jeffrey Greenberg
Steven Greenberg

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 20, 1998 Date	ss/Richard Whitman Richard Whitman, President The Benchmark Company,Inc.
February 24, 1998 Date	ss/Dennis Pollack Dennis Pollack, Individually
February 20, 1998 Date	ss/Brant Cali Brant Cali, Member Seidcal & Associates, LLC

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(f) under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with each other of the attached statement on Schedule 13D and to all amendments to such statement and that such Statement and all amendments to such statement is made on behalf of each of them.

In addition the undersigned hereby appoints Richard Whitman as attorney-in-fact for the undersigned with authority to execute and deliver on behalf of the undersigned any and all documents (including any amendments thereto) required to be filed by the undersigned or otherwise executed and delivered by the undersigned pursuant to the Securities Exchange Act of 1934, as amended, all other federal, state and local securities and corporation laws, and

all regulations promulgated thereunder.

IN WITNESS WHEREOF, the undersigned hereby execute this agreement on February 20, 1998

February 20, 1998 Date	ss/Richard Whitman Richard Whitman, President The Benchmark Company,Inc.
February 24, 1998 Date	ss/Dennis Pollack Dennis Pollack, Individually
February 20, 1998 Date	ss/Brant Cali Brant Cali, Member Seidcal & Associates, LLC

Exhibit A

AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF
SEIDMAN INVESTMENT PARTNERSHIP, L.P.

JANUARY 5, 1995

AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

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AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP OF

SEIDMAN INVESTMENT PARTNERSHIP, L.P.

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP of Seidman Investment Partnership, L.P. (the "Partnership"), dated as of January 5, 1995, by and between Veteri Place Corporation, as the General Partner (the "General Partner") and the persons and entities, referred to in schedule A on file at the offices of the Partnership, who have executed, either directly or indirectly by an attorney-in-fact, as limited partners (the "Limited Partners").

PREMISES:

A. The Partnership was organized in accordance with the New Jersey revised Uniform Limited Partnership act by the filing by the General Partner of a certificate of Limited Partnership with the office of the Secretary of State of the State of New Jersey on----------, 1995.

B. The General Partner, pursuant to the authority granted to him under section 26 of the Agreement, desires to amend the Agreement and to restate the same.

NOW THEREFORE, in consideration of the premises and the mutual

covenants hereinafter contained, effective as of February 15, 1995, it is hereby agreed as follows:

The following terms shall have the following meaning when used in this Agreement:

(a) "Act" shall mean the New Jersey Revised Uniform Limited Partnership Act, amended from time to time.

(b) "Affiliate" shall mean any person performing services on behalf of the Partnership who (i) directly or indirectly controls, is controlled by, or is under common control with a General Partner; (ii) is any company of which a General Partner or its controlling shareholder is an officer, director, partner or trustee; (iii) a member of the family of the controlling shareholder of the General Partner; or (iv) an Individual Retirement account or similar trust for the benefit of one or more General Partner or its affiliates.

(c) "Agreement" shall mean this agreement of Limited Partnership, as originally executed and as amended, modified, supplemented or restated from time to time.

(d) "Capital account" shall mean the account described in Section 8 of this Agreement.

(e) "Certificate" shall mean the Partnership's certificate of Limited Partnership as defined in section 2 of this Agreement.

(f) "Code" shall mean the Internal Revenue code of 1986, or successor provision of law, and the regulations issued thereunder.

(g) "Fiscal Period" shall mean the period beginning on the day immediately succeeding the last day of the immediately preceding fiscal Period and ending on the earliest occurring of the following:

(i) The last day of the Fiscal Year;

(ii) The day immediately preceding the day on which a new Partner is admitted to the Partnership;

(iii) the day immediately preceding the date on which a Partner makes an additional capital contribution to the Partner's capital account;

(iv) The day on which a Partner withdraws, in whole or in part, the amount of his or its Capital account;

(v) The date of dissolution of the Partnership in

accordance with Section 5 of this Agreement.

(h) "Fiscal "Quarter" shall mean a fiscal quarter of the Partnership.

(i) "Fiscal Year" shall mean the fiscal year of the Partnership, which shall be the calendar year.

(j) "General Partner Percentage" shall mean a percentage established by the General Partner for each General Partner on the Partnership's books as of the first day of each Fiscal Period. The sum of the General Partners Percentages for each Fiscal Period shall equal one hundred percent (100%).

(k) "Net Profit" of the Partnership shall mean, with respect to any Fiscal Period, the excess of the aggregate revenue, income and gains (realized and unrealized) earned on an accrual basis during the fiscal Period by the Partnership from all sources over the expenses and losses (realized and unrealized) incurred on an accrual basis during the fiscal Period by the Partnership.

(l) "Net Loss" of the Partnership shall mean, with respect to any fiscal Period, the excess of all expenses and losses (realized and unrealized) incurred on an accrual basis during the fiscal Period by the Partnership over the aggregate revenue, income and gains (realized and unrealized) earned on the accrual basis during the fiscal period by the Partnership from all sources.

(m) "Partnership Percentage" shall mean a percentage established for each partner on the Partnership' books as of the first day of each Fiscal Period. The Partnership Percentage of a Partner for a Fiscal Period shall be determined by dividing the amount of the Partner's capital account as of the beginning of the Fiscal Period by the sum of the capital accounts of all of the Partners as of the beginning of the fiscal Period. The sum of the Partnership Percentage for each fiscal Period shall equal one hundred percent (100%).

2. Organization.

The General Partner has executed a Certificate of Limited Partnership pursuant to the provisions of the Act (the "Certificate") and has cause the certificate to be filed as required by the Act. The General Partner shall also execute and record all amendments to the Certificate or additional certificates as may be required by this Agreement or by law.

3. Name of Partnership.

The name of the Partnership shall be Seidman Investment Partnership, L.P. or such other name as the General Partner may from time to time designate.

4. Principal Office, Resident Agent, Registered Office.

The principal office of the Partnership is 1235A Route 23 South, Wayne, New Jersey or any other place determined by the General Partner. The Partnership's phone number is (201) 633-7900. The name and address of the registered agent for service of process in the State of New Jersey is Lawrence B. Seidman, 1235A Route 23 South, Wayne, NJ 07470. The address of the registered office of the Partnership in the State of New Jersey is c/o Lawrence B. Seidman, 1235A Route 23 South, Wayne, New Jersey 07470.

5. Term of the Partnership.

(a) The term of the Partnership, having commenced on the date the Certificate was filed shall continue until the first of the following events occurs:

(i) December 31, 2014;

(ii) a written consent to dissolution of the Partnership by all Partners;

(iii) upon all of the General Partners ceasing to be general partners as a result of doing or being subject to one or more of the following:

(A) withdrawing from the Partnership in accordance with Section 21 of this Agreement;

(B) assigning all of its interest in the Partnership;

(C) making an assignment for the benefit of its creditors;

(D) filing a voluntary petition in bankruptcy;

(E) being adjudged bankrupt or insolvent or having entered against it an order of relief in any bankruptcy or insolvency proceeding;

(F) filing a petition or answer seeking for itself any reorganization, arrangement,composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;

(G) filling an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law or regulation;

(H) seeking consenting to, or acquiescing in the appointment of a trustee or receiver, or liquidator of all or any substantial part of its properties;

(I) being the subject of any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law or regulation, which proceeding shall have continued for one hundred and twenty (120) days

after the commencement thereof; or the appointment of a trustee, receiver, or liquidator for such General Partner or all or any substantial part of it properties without its consent or acquiescence, which appointment is not vacated or stayed for ninety (90) days after the expiration of the stay during which period the appointment is not vacated;

(J) the death of a General Partner; or

(K) the entry by a court of competent jurisdiction adjudicating such General Partner incompetent to manage his person or his property; or

(iv) upon issuance of a non-appealable decree of dissolution of the Partnership by a New Jersey Court of competent jurisdiction.

(b) In the event a General Partner does or becomes subject to any of the provisions of subsection (a)(iii) of this Section 5, the remaining General Partner shall be permitted to carry on the business of the Partnership upon written notice provided to all Partners of the decision to continue the Partnership's business. Each Limited Partner shall have the right for a period of thirty (30) days from the date of the written notice (the "Election Period") to elect to withdraw from the Partnership as of ten (10) days after the last day of the Election Period. The Limited Partner will receive the proceeds of a withdrawal made pursuant to this subsection (b) within ninety (90) days of the date of withdrawal. The amount of such proceeds will be calculated after the adjustments to his capital account provided for in Section 9 hereof, made as if the withdrawal date were the end of a Fiscal Year.

(c) If any one or more of the termination events listed in this Section 5 occurs, and if the remaining General Partner chooses not to carry on the business of the Partnership in accordance with the provisions of subsection (b) of this Section 5, the Partnership shall be dissolved and its affairs wound up as provided in Section 22 of this Agreement.

6. Purposes

The Partnership is organized for the following purposes:

(a) to invest and trade, on margin or otherwise, in "Securities," as

that term is defined in Section 2(1) of the Securities Act of 1933, as amended (the "1933 Act");

(b) to sell Securities short and cover short sales;

(c) to lend funds or properties of the Partnership, either with or without security; and

(d) to execute, deliver and perform all contracts and other undertakings, and engage in all activities and transactions, that the General Partner believes is necessary or advisable in carrying out the purposes specified all subsections (a), (b), and (c) of this Section 6, including without limitation:

(i) to purchase, transfer or acquire in any manner and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the investments described in subsection (a) of this Section 6; and

(ii) to register or qualify the Partnership under any applicable Federal or state laws, or to obtain exemptions under those laws, if registration qualification or exemption is deemed necessary by the General Partner.

7. Contributions of the Partners; New Partners.

(a) Each Partner shall make a contribution to the Partnership's capital ("Capital Contribution") in the amount set out opposite the Limited Partner's name in Schedule A attached to this Agreement.

(b) Any Partner may elect, with the consent of the General Partner to make an additional Capital Contribution, as of the first day of any fiscal Quarter. The General Partner may, in its sole discretion, permit additional Capital Contributions to be made more frequently than quarterly.

(c) No Partner shall be required to make any additional Capital Contributions.

(d) Capital Contributions made by Limited Partners must be in cash.

(e) The General Partner shall have the right, but not the obligation, to admit new Partners to the Partnership as of the first day of any Fiscal quarter. The General Partner may, however, in its sole discretion, admit new Partners more frequently than quarterly.

8. Capital Accounts.

A Capital account shall be established for each Partner. For the Fiscal

Period during which a Partner is admitted to the Partnership, his or its capital account shall equal the amount of his or its initial Capital Contribution. For each subsequent Fiscal Period, the Partner's Capital account will equal the sum of the amount of his or its Capital account as finally adjusted for the immediately preceding fiscal Period and the amount of any additional Capital Contribution made by the Partner as of the first day of the current Fiscal Period.

9. Adjustments to Capital Accounts.

At the end of each Fiscal Period, the Capital Accounts of the Partners shall be adjusted in the following manner:

(a) Subject to the provisions of subsections (c) and (d) and (f) of this Section 9, Net Profit of the Partnership for the Fiscal Year shall be credited as follows:

(i) Twenty percent (20%) of the Net Profit shall be reallocated to the General Partner for each Fiscal Year as a "Incentive Allocation".

(ii) The remaining Net Profit shall be allocated to the Partners in proportion to their Capital Accounts.

(b) Net Loss of the Partnership for the Fiscal Year shall be debited against the Capital Account of each Partner in proportion to and in accordance with the balance in the Capital Account of the Partner until the value of any Partners' Capital account becomes zero. Thereafter, any remaining Net Loss for the Fiscal Year shall be debited to Partners having positive balances in their Capital accounts in proportion to those balances, until the value of each Partner's Capital Account becomes zero. Thereafter, any remaining Net Loss for the Fiscal Year shall be debited to the General Partner in accordance with each General Partner's General Partner Percentage for the Fiscal Period.

(c) In the event that the Capital Account of one or more General Partner has a negative balance, one hundred percent (100%) of the Net Profit of the Partnership for the Fiscal Period shall be credited to those General Partners whose Capital Accounts have negative balances in accordance with their respective General Partner Percentages until no General Partner shall have a negative Capital Account balance.

(d) Anything in this Section 9 to the contrary notwithstanding, if any Net Losses are allocated to the account of any Limited Partner, each such Limited Partner shall be entitled to a "Recoupment Allocation" of subsequent Net Profits of the Partnership, in an amount in proportion to his Partnership Percentage, until such Net Loss shall have been eliminated. The amount of Net Profits allocated as a Recoupment Allocation shall not exceed, but shall reduce, the amount of Net Profits otherwise allocable to the General Partners as the Incentive Allocation pursuant to Section 9(a) (ii) hereof. If a Limited Partner

who is entitled to a Recoupment Allocation shall withdraw any portion of his Capital Account, the amount of Recoupment Allocation to which he is entitled shall be reduced in proportion to the amount of capital withdrawn.

(e) The amount of any withdrawal made by the Partner pursuant to Section 21 or Section 22 of this Agreement shall be debited against the Capital Account of that Partner.

(f) Allocations of Net Profit or Net Loss for a Fiscal Period, if necessary, shall be made in accordance with each Partner's Partnership percentage, adjusted as provided in paragraph (a) of this Section 9 at the end of the Fiscal Year, provided that the "Incentive Allocation" may not exceed twenty percent (20%) of the Net Profit for the Fiscal Year.

10. Hot Issues.

In the event the General Partner decides to invest in securities which are the subject of a public distribution and which the General Partner, in his sole discretion, believes may become a "hot issue" as that term is defined in Article III, Section 1 of the Rules of Fair Practice of the National Association of Securities Dealers, Inc. (the "Association"), such investment shall be made in accordance with the following provisions:

(a) any such investment made in a particular Fiscal Period shall be made in a special account (the "Hot Issues account");

(b) only those Partners who do not fall within the proscription of Article III, section 1 of said Rules of Fair Practice ("Unrestricted Partners") shall have any beneficial interest in the Hot Issues Account;

(c) each Unrestricted Partner shall have a beneficial interest in the Hot Issues Account for any Fiscal Period in the proportion which (i)a such Unrestricted Partner's Capital account as of the beginning of the Fiscal Period bore to (ii) the sum of the Capital Accounts of all Unrestricted Partners as of the beginning of such fiscal Period.

(d) Funds required to make a particular investment shall be transferred to the Hot Issues account from the regular account of the Partnership; securities involved in the public distribution shall be purchased in the Hot Issues Account, held in the Hot Issues Account and eventually sold from the Hot Issues Account or transferred to the regular account at fair market value as of the day of transfer as determined by the General Partner with such transfer being treated as a sale; if such securities are sold from the Hot Issues account, the proceeds of the sale shall be transferred from the Hot Issues account to the regular account of the Partnership.

(e) as of the last day of each Fiscal Period in which a particular investment or investments are held in the Hot Issues Account: (A) interest shall be debited to the Capital Accounts of the Unrestricted Partners in accordance

with their beneficial interest in the Hot Issues Account at the interest rate being paid by the Partnership from time to time for borrowed funds during the period in that Fiscal Period that funds from the regular account have been held in or made available to the particular Hot Issues Account or, if no such funds are being borrowed during such period, the interest rate that the General Partner determines would have been paid if funds had been borrowed by the Partnership during such period; and such interest shall be credited to the Capital Accounts of all the Partners, both General and Limited, in the proportions which (i) each Partner's Capital Account as of the beginning of such Fiscal Period bore to (iii) the sum of the Capital accounts of all Partners as of the beginning of such Fiscal Period and (B) any Net Profits or Net Losses during such Fiscal Period with respect to the Hot Issues Account shall be allocated to the Capital accounts of the Unrestricted Partners in accordance with their beneficial interest in the Hot Issues Account during such Fiscal Period; provided, however, that the amount of such interest shall not exceed the amount of profit accrued in the Hot Issues Account; and

(f) the determination of the General Partners as to whether a particular Partner falls within the proscription of Article III, Section I of said Rules of Fair Practice shall be final.

11. Valuation.

The Partnership's assets shall be valued in accordance with the following principles:

(a) Any Security that is listed on a national securities exchange will be valued at its last sale price on the date of determination as recorded by the composite tape system, or if no sales occurred on that day, at the mean between the closing "bid" and "asked" prices on that day as recorded by the system or the exchange, as the case may be;

(b) Any Security that is a National Market Security will be valued at its last sale price on the date of determination as reported by the National Association of Securities dealers automated quotations system ("NASDAQ") or if no sale occurred on that day, at the mean between the closing "bid" and "asked" prices on that day as reported by NASDAQ:

(c) Any Security not listed on a national securities exchange and not a National Market Security will be valued at the mean between the closing "bid" and "asked" prices on the date of determination as reported by NASDAQ or, if not so reported, as reported in the over-the-counter market in the United States;

(d) An option shall be valued at the last sales price or, in the absence of a last sales price, the last offer price; and

(e) All other Securities shall be assigned the value that the General Partner in good faith determine.

12. Determination by General Partner of Certain Matters.

(a) All matters concerning the valuation of Securities, the allocation of profits, gains and losses among the Partners, including the taxes on them and accounting procedures, not specifically and expressly provided for by the terms of this Agreement, shall be determined in good faith by the General Partner, whose determination shall be final, binding and conclusive upon all of the Partners.

(b) gains, losses, and expenses of the Partnership for each Fiscal Period shall be allocated among the Partners for income tax purposes in a manner so as to reflect, as nearly as possible, the amounts credited or charged to each Partner's Capital Account pursuant to Section 9 of this Agreement.

(c) The General Partner shall have the power to make all tax elections and determinations for the Partnership, and to take any and all action necessary under the Code or other applicable law to effect those elections and determinations. All such elections and determinations by the General Partner shall be final, binding and conclusive upon all Partners.

13. Liability of Partners.

(a) The General Partner shall not be obligated to contribute cash or other assets to the Partnership to make up deficits in their Capital accounts or in the Capital Accounts of the Limited Partners either during the term of the Partnership or upon liquidation. The General Partner shall be liable for all debts and obligations of the partnership to the extent that the Partnership is unable to pay such debts and obligations up to the extent of Veteri's capital.

(b) The doing of any act or the failure to do any act by a General Partner, the effect of which may cause or result in loss, liability, damage or expense to the Partnership or any Partner shall not subject a General Partner to any liability to the Partnership or to any Partner, except that a General Partner may be so liable if it has not acted in good faith, or has committed gross misconduct or was grossly negligent.

(c) A Limited Partner will not be liable for any debts or bound by any obligations of the Partnership except to the extent set forth in subsections (d), (e) and (f) of this Section 13.

(d) A Limited Partner who has received the return of any part of his or its Capital contribution without violation of this Agreement or the Act shall not therefore be labile to the Partnership or its creditors.

(e) A Limited Partner receiving a return of any portion of his or its Capital Contribution in violation the Act or this Agreement will be Liable to the Partnership for a period of six (6) years thereafter for the amount of the contribution wrongfully returned.

(f) A Limited Partner may be liable to the Partnership or creditors of the Partnership for any amounts distributed if, and to the extent that, at the

time of the distribution, he actually knew that, after giving effect to the distribution, all liabilities of the Partnership, other than liabilities to Partners on account of their interest in the Partnership, exceeded the fair value of the Partnership's assets.

14. Rights and Duties of the General Partner

(a) The General Partner shall have the exclusive right to manage and control the affairs of the Partnership, and shall have the power and authority to do all things necessary or proper to carry out the purposes of the Partnership. The General Partner shall devote an amount of time and attention that the General Partner in its sole discretion deems necessary or appropriate.

(b) Without limiting the generality of the foregoing, the General Partner shall have full power and authority:

(i) to engage independent agents, investment advisors, attorneys, accountants and custodians as the General Partner deems necessary or advisable for the affairs of the Partnership;

(ii) to receive, buy sell, exchange, trade, and otherwise deal in and with Securities and other property of the Partnership;

(iii) to open, conduct and close accounts with brokers on behalf of the Partnership and to pay the customary fees and charges applicable to transactions in those accounts;

(iv) to open, maintain and close accounts, including margin accounts, with brokers and banks, and to draw checks and other orders for the payment of money by the Partnership;

(v) to file, on behalf of the Partnership, all required local, state and Federal tax and other returns relating to the Partnership;

(vi) to cause the Partnership to purchase or bear the cost of any insurance covering the potential liabilities of the General Partner and any associate, employee or agent of the General Partner arising out of the General Partner's actions as General Partner under this Agreement;

(vii) to cause the Partnership to purchase or bear the cost of any insurance covering the potential liabilities of any person serving as a director, officer or employee of an entity in which the Partnership has an investment or of which the Partnership is a creditor;

(viii) to commence or defend litigation or submit to arbitration any claim or cause of action that pertains to the Partnership or any Partnership assets;

(ix) to enter into, make and perform contracts, agreements and

other undertakings, and to do any other acts, as the General Partner deems necessary or advisable for, or as may be incidental to, the conduct of the business of the Partnership, including, without limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Partner or with any other person, firm or corporation having any business, financial or other relationship with any Partner or Partners:

(x) to make or revoke elections pursuant to Section 754 of the Code to adjust the basis of the Partnership's property as permitted by Sections 734(b) and 743(b) of the Code; and

(xi) to designate a Tax Matters Partner for all purposes under the Code.

15. Expenses.

The Partnership shall bear all expenses relating to its organization. The Partnership will bear the expenses of its administration, accountant, its legal counsel, and expenses of investments.

16. Administrative Fee.

The Partnership shall pay the General Partner as of the end of each Fiscal Quarter of the Partnerhship an administrative fee at an annual rate equal to 1% of the value of the Partnership's assets.

17. Limitation on Powers of Limited Partners.

No Limited Partner shall participate in the control of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for the Partnership or to bind the Partnership in any other way.

18. Other Business ventures.

Each Partner agrees that each General Partner and its affiliates and associates may engage in other business activities or possess interest in other business activities of every kind and description, independently or with others. These activities may include, without limitation, establishing a broker-dealer and investing in real estate and real estate related partnerships, or in investing, in financing, acquiring and disposing of interest in securities in which the Partnership may from time to time invest, or in which the Partnership is able to invest or otherwise have any interest. The Limited Partners agree that the General Partner and its affiliates may act as general partner of other partnerships, including investment partnerships.

19. Limitation on Assignability of Interest of Limited Partners.

(a) No Limited Partner may assign or otherwise transfer or encumber his

or its interest in the Partnership, in whole or in part, without the consent of the General Partner and without a written opinion of counsel to or approved by the General Partner that the proposed transfer (i) is consistent with all applicable provisions of the 1933 Act, and the rules and regulations thereunder, as from time to time in effect, as well as any applicable provisions of any state "blue sky" law; and (ii) would not result in the Partnership's having to register as an investment company under the Investment Company Act of 1940, as amended.

(b) Notwithstanding any other provision of this Agreement, any successor to any Limited Partner shall be bound by the provisions of this Agreement. Prior to recognizing any assignment of an interest in the Partnership that has been transferred in accordance with this Section 19, the General Partner may require the transferring Limited Partner to execute and acknowledge an instrument of assignment in form and substance satisfactory to the General Partner, and may require the assignee to agree in writing to be bound by all the terms and provisions of this Agreement, to assume all of the obligations of the assigning Limited Partner and to execute whatever other instruments or documents the General Partner deems necessary or desirable in connection with the assignment.

(c) No Limited Partner shall have the right to have his or its assignee admitted as a substitute Limited Partner, except upon the written consent of the General Partner, which consent may be withheld in the sole discretion of the General Partner.

(d) Each Limited Partner hereby approves of the admission to the Partnership as a Limited Partner of any assignee who succeed to the interest in the Partnership of a Limited Partner in accordance with the provisions of this Section 19.

20. Withdrawals by a Limited Partner.

(a) (i) A Limited Partner who shall have been a Limited Partner for at least eight full Fiscal Quarters shall have the right, as of the end of any Fiscal Year, or at other times at the discretion of the General Partner, to withdraw all or a portion of the amount of his or its Capital Account, so long as the General Partner receives written notice of the intended withdrawal not less than one hundred eighty (180) days prior to the withdrawal, stating the amount to be withdrawn. In no event, however, shall a Limited Partner be permitted to withdraw any amounts from his or its Capital Account in excess of the positive balance of his or its Capital Account. If the amount of a Limited Partner's withdrawal represents less than seventy-five (75%) of the Limited Partner's Capital Account, the Limited Partner will receive the proceeds of the withdrawal within thirty (30) days after the date of withdrawal. If the amount of a Limited Partner's withdrawal represents seventy-five (75%) or more of the Limited Partner's Capital Account, the Limited Partner will receive seventy-five percent (75%) of his Capital account within thirty (30) days after the date of withdrawal and the remainder of the amount withdrawn within ten (10) days after the Partnership has received financial statements from its independent certified

public accountants pursuant to Section 23(c) of this

Agreement. If a Limited Partner requests withdrawal of capital which would reduce his Capital Account below the amount of his initial Capital Contribution, the General Partner may treat such request as a request for withdrawal of all of such Partner's Capital Account. The distribution of any amount withdrawn by a Limited Partner may take the form of cash and/or marketable securities as determined by the General Partner in his sole discretion.

(ii) In the event of a proposed withdrawal of capital by one or more General Partner or Affiliates pursuant to Section 21(a)(ii) of this Agreement, as a result of which the aggregate of the Capital Accounts of the General Partner and Affiliates will be less than $50,000 (fifty thousand dollars), a Limited Partner shall have the right to withdraw all or a portion of the amount of his or its Capital Account, so long as the General Partner receives written notice of the intended withdrawal not more than fifteen (15) days after the date of the notice of withdrawal by such General Partner or General Partner or Affiliate or Affiliates pursuant to said Section 21(a)(ii), stating the amount to be withdrawn. In such event the withdrawal by such Limited Partner shall be effective as of the effective date of the withdrawal by the General Partner or General Partners pursuant to said Section 21(a)(ii). The amount available for withdrawal shall be calculated in the same manner as provided for in the last sentence of paragraph (b) of Section 5 hereof.

(b) Any Limited Partner's interest in the Partnership may be terminated by the Partnership as of the end of any Fiscal Year upon prior written notice, so long as the General Partner determines the termination to be in the best interest of the Partnership. In the event that a Limited Partner's interest in the Partnership is terminated pursuant to this Section 20, the Limited Partner shall receive ninety percent (90%) of the value of his Capital Account within one hundred eighty (180) days after written notice of termination is given by the Partnership and the remaining ten percent (10%) within ten (10) business days after receipt by the Partnership of financial statements with respect to the Fiscal Year in which his or its interest in the Partnership is terminated.

21. Withdrawals by the General Partners and Affiliates.

(a) (i) Each General Partner shall have the right to withdraw any amount of cash from his Capital Account as of the end of any Fiscal Year, without prior notification to the Limited Partners, provided that, after giving effect to such withdrawal, the aggregate Capital accounts of the General Partners and their Affiliates are not less than $50,000 (fifty thousand dollars).

(ii) Upon forty-five (45) days ' prior notice to the Limited Partners, a General Partner or an Affiliate may withdraw any amount from his Capital Account contributed to the Partnership as a result of which withdrawal the aggregate Capital Accounts of the General Partner and their Affiliates would

be reduced below $50,000. (fifty thousand dollars).

(b) Any or all of the General Partners may voluntarily resign or withdraw from the Partnership as of the end of any Fiscal Year upon sixty (60) days' written notice sent to all Partners.

22. Dissolution and Winding Up of the Partnership.

On dissolution of the Partnership, the General Partners or if there is no General Partner, one or more persons approved by Limited Partners holding a majority in interest of the Capital Accounts of the Limited Partners) shall wind up the Partnership's affairs and shall distribute the Partnership's assets in the following manner and order:

(a) in satisfaction of the claims of all creditors of the Partnership, other than the General Partners;

(b) in satisfaction of the claims of the General Partners as creditors of the Partnership; and

(c) any balance to the Partners in the relative proportions that their respective Capital Accounts bear to each other, those Capital Accounts to be determined as if the Fiscal Year ended on the date of the dissolution.

23. Accounting and Reports.

(a) The records and books of account of the Partnership shall be reviewed as of the end of each fiscal Year by independent certified public accountants selected by the General Partner in his sole discretion.

(b) As soon as practicable after the end of each Fiscal Year, the General Partner shall cause to be delivered to each person who was a Partner at any time during that Fiscal Year all information deemed necessary by the General Partner in his sole discretion for the preparation of the Partner's income tax returns, including a Form 1065/Schedule K-1 statement showing the Partner's share of Net Profit or Net Loss, deductions and credits for the year Federal income tax purposes, and the amount of any distributions made to or for the account of the Partner pursuant to this Agreement.

(c) The independent certified public accounts selected by the General Partner in accordance with subsection (a) of this Section 23 shall prepare and mail to each Partner, within ninety (90) days after the end of each fiscal Year, an income statement for the Fiscal Year and a balance sheet as of the end of the Fiscal Year.

(d) The Partnership shall cause to be prepared and mailed to each Partner a report setting out as of the end of each fiscal quarter information determined by the General Partner to be appropriate.

(e) The General Partner shall cause tax returns for the Partnership to be prepared and timely filed with the appropriate authorities.

24. Books and Records.

The General Partner shall keep at the Partnership's principal office:

(a) books and records pertaining to the Partnership's business showing all of its assets and liabilities, receipts and disbursements, realized profits and losses, Partners' Capital Accounts and all transactions enter into by the Partnership;

(b) a current list of the full name and last known home, business or mailing address of each Partner set out in alphabetical order;

(c) a copy of the Certificate and all amendments to it, together with executed copies of any powers of attorney pursuant to which the Certificate and any amendments to it have been executed;

(d) copies of the Partnership's Federal, state and local income tax returns and reports, if any, for the three (3) most recent years; and

(e) copies of this Agreement as may be amended from time to time.

All books and records of the Partnership required to be kept under this Section 24 shall be available for inspection by a Partner of the Partnership at the offices of the Partnership during ordinary business hours for any purpose reasonably related to the Partner's interest as a Partner in the Partnership.

25. Indemnification.

(a) The Partnership shall indemnify each General Partner and any of his Affiliates (each an "Indemnitee") to the fullest extent permitted by law and will hold each harmless from and with respect to (i) all fees, costs and expenses incurred in connection with, or resulting from, any claim, action or demand against any indemnitee that arises out of or in any way relates to the Partnership, its properties, business or affairs, and (ii) any losses or damages resulting from any such claim, action or demand, including amounts paid in settlement or compromise of the claim, action or demand.

(b) No Indemnitee shall be indemnified by the Partnership with respect to any action or failure to act that does not constitute good faith, or that constitutes willful misfeasance.

(c) The Partnership may pay the expenses incurred by an Indemnitee in defending a civil or criminal action, suit or proceeding brought by a party against the Indemnitee that arises out of or is in any way related to the Partnership, its properties, business or affairs, upon receipt of an undertaking by the Indemnitee to repay the amount advanced by the Partnership if an

adjudication or determination is subsequently made by a court of competent jurisdiction that the Indemnitee is not entitled to indemnification as provided in this Agreement.

(d) The right of indemnification provided in this Section 25 shall be in addition to any rights to which an Indemnitee may otherwise be entitled and shall inure to the benefit of the executors, administrators, personal representatives, successors or assigns of each Indemnitee.

(e) The rights to indemnification and reimbursement provided for in this Section 25 may be satisfied only out of the assets of the Partnership. No Partner shall be personally liable for any claim for indemnification or reimbursement under this Section 25.

26. Amendment of Partnership Agreement.

This Agreement may be amended, in whole or in part, by the written consent of (a) the General Partner, and (b) Partners the value of whose Capital Account constitute not less than fifty percent (50%) of the total value of all Capital Accounts of the Partnership, provided that no such amendment shall affect the allocation of Net Profit or Net Loss to any Partner who has not consented to such amendment. In addition, any provision of this Agreement, other than Section 9, may be amended by the General Partner in any manner that does not, in the sole discretion of the General Partner, adversely affect any Limited Partner.

27. Notices.

Notices that may or are required to be given under this Agreement by any part to another shall be in writing and deposited in the United States mail, certified or registered, postage prepaid, addressed to the respective parties at their addresses set out in Schedule A to this Agreement or to any other addressee designated by any Partner by notice addressed to the Partnership in the case of any Limited Partner and to the General Partner in the case of the General Partners. Notices shall be deemed to have been given when deposited in the United States mail within the continental United States.

28. Agreement Binding Upon Successors and Assigns.

This Agreement shall inure to the benefit of and shall be binding upon the heirs, executors, administrators or other representatives, successors and assigns of the Partners.

29. Governing Law.

This Agreement, and the rights of the Partners under it, shall be governed by and construed in accordance with the law of the State of New Jersey.

30. Consents.

Any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and signed copies of them shall be filed and kept with the books of the Partnership.

31. Miscellaneous.

(a) This Agreement, including Schedule A appended to it, constitutes the entire understanding and Agreement of the Partners as to the operation of the Partnership.

(b) This agreement may be executed in counterparts, each of which shall be deemed to be an original.

(c) Each provision of this Agreement is intended to be severable. A determination that a particular provision of this Agreement is illegal or invalid shall not affect the validity of the remainder of the Agreement.

(d) Nothing contained in this Agreement shall be construed to constitute any Partner the agent of another Partner, except as specifically provided in this Agreement, or in any manner to limit the partners in the carrying on of their own respective business or activities.

(e) If there is a conflict between the terms and conditions of the Partnership Agreement and Offering Memorandum, the Partnership Agreement shall be controlling.

IN WITNESS WHEREOF, the Partners have executed this Agreement as of the date first above written.

GENERAL PARTNER

VETERI PLACE CORPORATION

By:/s/Lawrence B. Seidman, President

LIMITED PARTNERS:

All Limited Partners now and hereafter admitted as Limited Partners of the Partnership, pursuant to Powers of Attorney now and hereafter executed in favor of, and delivered to the General Partner.

LAWRENCE B. SEIDMAN

Attorney-in-Fact

/s/Lawrence B. Seidman

AMENDMENT #1
TO LIMITED PARTNERSHIP
CERTIFICATE OF
SEIDMAN INVESTMENT PARTNERSHIP, L.P.

Section 1 The Name of the Partnership is Seidman Investment Partnership, L.P., which was filed with the Secretary of State on January 17, 1995.

Section 6 Section 6 is hereby amended to add the following people and entities as limited partners:

NAME	CAPITAL CONTRIBUTION
James J. Gallagher, Ph.D, TTEE Gallagher Living Trust DTD 11/30/92 3636 Paradise dr. Tiburon, CA 94920	$200,000.00
Robert Kaplus, G.P. Kaplus Hanover Associates 4 Pewter Lane New Providence, NJ 07974	$125,000.00
Russ Ketron, TTEE The Ketron Family Trust DTD 10/20/89 33 San Miguel Way Novato, CA 94945	$50,000.00
Louis M. Rogow, M.D. & Enid Z. Rogow P. O. Box 57 211 Post Rd.	

Bernardsville, NJ 07924 $100,000.00

Seidman and Associates, L.L.C. $100,000.00
100 Misty Lane
Parsippany, NJ 07054

VETERI PLACE CORPORATION

Dated: November 21, 1996 By:
/s/Lawrence B. Seidman, President

STATE OF NEW JERSEY)
)ss:
COUNTY OF MORRIS)

On the 21 day of November, 1996, before me personally came Lawrence B. Seidman, to me known, who, being by me sworn, did depose and say that he resides at 19 Veteri Place, Wayne, New Jersey 07470, that he is the President of Veteri Place Corporation described in and which executed the above instrument; and that he signed such instrument by order of the Board of Directors of said Corporation.

/s/ Ruth W. Rivkind
A Notary Public of the
State of New Jersey
My Commission Expires
February 14, 2001

EXHIBIT B

OPERATING AGREEMENT

FOR

SEIDMAN AND ASSOCIATES, LLC.

Dated: November 9, 1994

INDEX

OPERATING AGREEMENT

FOR

SEIDMAN AND ASSOCIATES, LLC.

AGREEMENT made November 9, 1994 by and between LAWRENCE SEIDMAN ("Lawrence Seidman"), having an address at 19 Veteri Place, Wayne, New Jersey 07470; SONIA SEIDMAN ("Sonia Seidman"), having an address at 19 Veteri Place, Wayne, New Jersey 07470; SEIDCAL Associates ("Seidcal"), a New Jersey general partnership having an address c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016; PAUL SCHIMDT ("Schimdt"), having an address at 159 Clinton Place, Hackensack, New Jersey 07601; and RICHARD GREENBERG ("Greenberg"), having an address at 1235A Route 23 South, Wayne, New Jersey 07474 (hereinafter Lawrence Seidman, Sonia Seidman, Seidcal, Schimdt and Greenberg may sometimes be referred to individually as a "Member" and collectively as the "Members").

WITNESSETH:

WHEREAS, the Members desire to form a limited liability company (the "Company") pursuant to the New Jersey Limited Liability Company Act (the"Act") and adopt this Operating Agreement in connection therewith; and

WHEREAS, the purpose of the Company shall be to purchase stock in private and public companies and manage and invest the funds of others for these purposes and for any and all other purposes permitted pursuant to the Act; and

WHEREAS, the Members wish to set forth the terms and conditions as to the manner in which the Company shall be operated and to set forth the rights, obligations and duties of the Members to each other and to the Company; and

WHEREAS, by executing this Operating Agreement, each Member represents that he has sufficient right and authority to execute this Operating Agreement and not acting on behalf of any undisclosed or partially disclosed principal.

NOW, THEREFORE, in consideration of ten ($10) dollars and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows effective as of the date first written above.

ARTICLE 1
DEFINITIONS

1.1 For purposes of this Agreement, the following terms shall have the definitions set forth below:

"Additional Contribution": Each Member's pro-rata portion of a Required Amount, determined by multiplying the Required Amount by each Member's Interest.

"Additional Member": Any person or entity who acquires an additional interest in the Company.

"Adjusted Capital Account": As defined in Section 9.4(h).

"Capital Account" or "Capital Accounts": As defined in Section 6.4.

"Capital Contributions": The respective capital contributions, including any Additional Contribution,of each of Member to the Company.

"Capital Transaction" or "Capital Transactions": Sale, transfer, assignment or exchange of stock purchases or other investment made by the Company or other similar transactions which, in accordance with generally accepted principles, are treated as a capital transaction.

"Certificate of Formation": The Certificate of Formation of the Company filed with the Secretary of State of the State of New Jersey, pursuant to the Act to form the Company, as originally executed and as amended, modified, supplemented or restated from time to time, as the context requires.

"Code": The Internal Revenue Code of 1986, as amended, and any reference to a particular section of the Code shall be deemed to include any successor section to such section.

"Company": Seidman and Associates, LLC.

"Contributing Member": A Member which has made its Additional Contribution.

"Default Loan": A loan to the Company of an amount equal to the Additional Contribution not made by a Defaulting Member.

"Defaulting Member": A Member which fails to make his Additional Contribution as required herein.

"Default Rate": A floating rate equal to the lesser of (a) ten (10%) percent per annum in excess of the rate of interest announced from time to time in The Wall Street Journal as the "prime rate" or "base rate" charged by institutional commercial lenders, from time to time or (b) the maximum rate of interest then permitted according to the laws of the State of New Jersey or according to Federal law, to the extent applicable.

"Gain from a Capital Transaction": The gain recognized by the Company attributable to a Capital Transaction, determined in accordance with the method of accounting used by the Company for federal income tax purposes. In the event there is a revaluation of Company property and the Capital Accounts are adjusted pursuant to Section 6.4(c), Gain from a Capital Transaction shall be computed by reference to the "book items" and not the corresponding "tax items".

"Income": Net Proceeds and all other income or amounts, however characterized, received by the Company.

"Interest": The respective percentage interest of each Member as set forth on Schedule A.

"Loss from a Capital Transaction": The loss recognized by the Company attributable to a Capital Transaction, determined in accordance with the method of accounting used by the Company for federal income tax purposes. In the event there is a revaluation of the Company property and the Capital Accounts are adjusted pursuant to Section 6.4(c), Loss from a Capital Transaction shall be computed by reference to the "book items" and not the corresponding "tax items".

"Managing Member": Lawrence Seidman, or such successor appointed by a majority in interest of the remaining Members.

"Member": Each of the parties who has executed this Operating Agreement and any party who may hereafter become an Additional Member or a Substitute Member pursuant to this Operating Agreement.

"Member Nonrecourse Debt": Any nonrecourse debt of the Company for which a Member bears the economic risk of loss, determined in accordance with Treasury Regulation Section 1.704-2(b) (4).

"Member Nonrecourse Debt Deductions": With regard to any Member Nonrecourse Debt, the amount of the net increase during any taxable year to the Company in the amount of Minimum Gain Attributable to Member Nonrecourse Debt, over the aggregate amount of any distributions during such year to the Member who bears the economic risk of loss for such debt of proceeds of such debt that are allocable to an increase in the Minimum Gain Attributable to such Member Nonrecourse Debt. Such amounts shall be determined in accordance with Treasury Regulation Section 1.704-2(i) (2).

"Minimum Gain": The amount of gain which would be recognized to the Company for federal income tax purposes if all Company property secured by Nonrecourse Liability were transferred to the creditor of such debt in satisfaction thereof (and for no other consideration) in a taxable transaction.

The amount of such gain shall be determined and calculated in accordance with Treasury Regulation Section 1.704--2(g) (i).

"Minimum Gain Attributable to Member Nonrecourse Debt": The amount of gain which would be recognized by the Company for federal income tax purposes if all Company property secured by Member Nonrecourse Debt were transferred to the creditor of such debt in satisfaction thereof (and for no other consideration) in a taxable transaction. The amount of such gain shall be determined and calculated in accordance with Treasury Regulation Section 1.704-2(f) (i) (4).

"Net Proceeds": The net proceeds available to the Company from a Capital Transaction after deducting (i) all costs and expenses incurred in connection therewith, (ii) any liens or other indebtedness which is satisfied or refinanced as a result of such Capital Transaction, and (iii) reasonable reserves established by the Company from time to time for working capital and other purposes.

"Net Profit" and "Net Loss": The net income (including income exempt from tax) and net loss (including expenditures that can neither be capitalized nor deducted), respectively, of the Company, determined in accordance with the method of accounting used by the Company for federal income tax purposes, but computed without regard for Gain from Capital Transactions, Loss from Capital Transactions and items of income or loss, if any, that are specifically allocated to Members. In the event there is a revaluation of Company property and the Capital Accounts are adjusted pursuant to Section 6.4(c), Net Profits and Net Losses shall be computed by reference to the "book items" and not corresponding "tax items".

"Nonrecourse Liability": Any Company debt for which no Member has any economic risk of loss, determined in accordance with Treasury Regulation Section 1.704-2(b) (3).

"Operating Agreement": This Operating Agreement as originally executed and as amended, modified,supplemented or restated from time to time.

"Required Amount": The amount of cash required by the Company as determined by a majority in interestof the Members.

"Substitute Member": Any transferee of a Member's Interests who is admitted as a Member in the Company pursuant to Article 17 or 18.

"Unrecovered Additional Contributions": The aggregate amount of Additional Contribution made by a Member pursuant to Section 7.1 hereof less prior distributions to such Member of Income which is distributed to repay outstanding Additional Contributions and any interest on any Default Loan specially allocated to such Member.

ARTICLE 2
FORMATION

2.1 The parties hereto do hereby form the Company under the name of SEIDMAN AND ASSOCIATES, LLC.pursuant to the Act. Pursuant to the provisions of the Act, the formation of the Company shall be effective upon the filing of the Certificate of Formation.

In order to maintain the Company as a limited liability company under the laws of the State of New Jersey, the Company shall from time to time take appropriate action, including the preparation and filing of such amendments to the Certificate of Formation and such other assumed name certificates, documents, instruments and publications as may be required by law, including, without limitation, action to reflect:

(i) a change in the Company name;

(ii) a correction of a defectively or erroneously executed Certificate of Formation;

(iii) a correction of false or erroneous statements in the Certificate of Formation or the desire of the Members to make a change in any statement therein in order that it shall accurately represent the agreement among the Members; or

(iv) a change in the time for dissolution of the Company as stated in the Certificate of Formation and in this Agreement.

Section 2.2 Other Instruments. Each Member hereby agrees to execute and deliver to the Company within five (5) days after receipt of a written request therefor, such other and further documents and instruments, statements of interest and holdings, designations, powers of attorney and other instruments and to take such other action as the Company deems necessary, useful or appropriate to comply with any laws, rules or regulations as may be necessary to enable the Company to fulfill its responsibilities under this Operating Agreement, to preserve the Company as a limited liability company under the Act and to enable the Company to be taxed as a partnership for federal and state income tax purposes.

ARTICLE 3
PRINCIPAL OFFICE

3.1 The Company's registered office in New Jersey shall be at 19 Veteri Place, Wayne, New Jersey 07470. The Company's registered agent who is a resident of New Jersey is Lawrence Seidman, whose business address 19 Veteri Place, Wayne, New Jersey 07470. At any time, the Company may designate another registered agent and/or office.

3.2 The principal place of business of the Company shall be at 19 Veteri Place, Wayne, New Jersey 07470. At any time, the Company may change the location of its principal place of business and may establish additional offices.

ARTICLE 4
TERM AND DURATION

4.1 The Company shall commence upon the filing of the Certificate of Formation, and shall continue in full force and effect until May 1, 2024, provided, however, that the Company shall be dissolved prior to such date upon the happening of any of the following events:

(a) The mutual written consent of the Members to dissolve the Company.

(b) The sale or other divestiture of all or substantially all of the assets of the Company and the distribution of the proceeds thereof to the Members, including real estate or interests held or owned by the Company (other than a transfer to a nominee of the Company for any Company purpose, which event shall not be construed as an event of termination); provided, however, that (i) if the Company receives a purchase money mortgage or other collateral security in connection with such sale, the Company shall continue (A) until such mortgage or security interest is paid in full or otherwise disposed of, or (B) in the event of foreclosure of such mortgage, or security interest provided the Company

retains title therein; and (ii) the Company shall continue if the assets of the Company are exchanged under Section 1031 of the Code.

(c) Upon the death, retirement, expulsion, bankruptcy or dissolution of a Member or occurrence of any other event that terminates the continued membership of a Member in the Company (a "Dissolution Event") unless the business of the Company is continued by the unanimous consent of the remaining Members within ninety (90) days following the Dissolution Event.

(d) The entry of a decree of judicial dissolution under Section 49 of the Act.

(e) The happening of any other prior event which pursuant to the terms and provisions of this Operating Agreement shall cause a dissolution or termination of the Company.

4.2 Upon any dissolution of the Company, the distribution of the Company's assets and the winding up of its affairs shall be concluded in accordance with Article 19 of this Operating Agreement.

ARTICLE 5
PURPOSE

5.1 The business of the Company shall be for the purpose of:

(a) Purchasing stock in private and public companies and managing and investing funds of others for these purposes.

(b) Such other activities incident or appropriate to the foregoing, including acting directly or in conjunction with others through joint ventures, partnerships or otherwise.

5.2 The business of the Company shall also be for any lawful purpose.

ARTICLE 6
CAPITAL CONTRIBUTIONS BY THE MEMBERS

6.1 (a) Upon execution hereof, or at such other times as determined by the Managing Member, each Member shall contribute in cash to the capital of the Company an amount in the aggregate equal to that set forth opposite his/her/its name on Schedule A attached hereto.

(b) A Member's interest in the Company shall be represented by the percentage interest held by such Member. Each Member's respective initial interest in the Company is set forth opposite his/her name on Exhibit B attached hereto.

6.2 No Member shall have the right to withdraw any part of his Capital Contribution or receive any distribution, except in accordance with the provisions of this Operating Agreement. No interest shall be paid on any Capital Contribution.

6.3 No Member shall have any priority over any other Member with respect to the return of Capital Contributions.

6.4 The Company shall maintain a capital account (a "Capital Account") for each Member within the provisions of Treasury Regulation Section 1.704-1 (b) (2) (iv) as such regulation may be amended from time to time. Without limiting the foregoing, the Member's Capital Accounts shall be adjusted as follows:

(a) Subject to the last sentence of Section 6.4 (c), the Capital Account of each Member shall be credited with (i) an amount equal to such Member's initial cash contribution and any additional cash contributions to the Company and the fair market value of property or securities contributed to the Company (net of liabilities secured by such property) if a contribution of property or securities shall be permitted by the Company and (ii) such Member's share of the Company's Net Profits and Gain from Capital Transactions (including income and gain exempt from tax).

(b) Subject to the last sentence of Section 6.4 (c), the Capital Account of each Member shall be debited by (i) the amount of cash distributions to such Member and the fair market value of property and/or securities distributed to the Member (net of liabilities secured by such property and/or securities) and (ii) such Member's share of the Company's Net Loss and Net Loss from Capital Transactions (including expenditures which are not permitted to be capitalized or deducted for tax purposes).

(c) Upon the transfer of an interest in the Company, the Capital Account of the transfer Member (as adjusted, if at all, as required by this Section 6.4) that is attributable to the transferred interest will be carried over to the transferee Member. The Capital Account will not be adjusted to reflect any adjustment under Section 743 of the Code except as specifically provided in Treasury Regulation Section 1.704-1 (b) (2) (iv) (m). Upon (i) the "liquidation of the Company" (as hereinafter defined), (ii) the "liquidation of a Member's interest in the Company" (as hereinafter defined), (iii) the distribution of money, property or securities to a Member as consideration for an interest in the Company, or (iv) the contribution of money or (if permitted pursuant to (a) above) property and/or securities to the Company by a new or existing Member as consideration for an interest in the Company, or upon any transfer causing a termination of the Company for tax purposes within the meaning of Section 708(b) (1) (B) of the Code, then adjustments shall be made to the Members' Capital Accounts in the following manner: all property and securities of the Company which are not sold in connection with such event shall be valued at their then fair market value; such fair market value shall be used to determine both the amount of gain or loss which would have been recognized by

the Company if the property and securities had been sold for its fair market value (subject to any debt secured by the property and securities) at such time, and the amount of Income, which would have been distributable by the Company pursuant to Article 9 if the property and securities had been sold at such time for said fair market value, less the amount of any debt secured by the property; the Capital Accounts of the Members shall be adjusted to reflect the deemed allocation of such hypothetical gain or loss in accordance with Article 10; and the Capital Accounts of the Members (or of a transferee of a Member) shall thereafter be adjusted to reflect "book items" and not "tax items" in accordance with Treasury Regulation Sections 1.704-1 (b) (2) (iv) (g) and 1.704-1 (b) (4) (i).

(d) For purposes of this Article 6, (i) the term "liquidation of the Company" shall mean (A) a termination of the Company effected in accordance with this Operating Agreement, which shall be deemed to occur, for purposes of Article 6, on the date upon which the Company ceases to be a going concern and is continued in existence solely to wind-up its affairs, or (B) a termination of the Company pursuant to Section 708(b)(1) of the Code; and (ii) the term "liquidation of a Member's interest in the Company" shall mean the termination of the Member's entire interest in the Company effected by a distribution, or a series of distributions, by the Company to the Member.

ARTICLE 7
ADDITIONAL CAPITAL CONTRIBUTIONS

7.1 No Member shall be obligated to make additional capital contributions to the Company. If the Managing Member, with the concurrence of Members holding a majority in interest of the Company, shall determine there shall be a Required Amount for any Company purpose, including, without limitation, those purposes set forth in Article 5, then within fifteen (15) days of notice of such requirement, each Member may, but shall not be obligated to, contribute to the Company his Additional Contribution.

7.2 If a Member fails to make his Additional Contribution, in whole or in part, as required in Section 7.1 above (the "Noncontributing Member"), then, so long as any other Member shall make his Additional Contribution as provided herein (each such Member making his Additional Contribution being hereinafter referred to as "Contributing Member"), any Contributing Member shall have the option (a) with the consent of a majority in interest of the Contributing Members (i) to make a capital contribution equal to the Additional Contribution not made by the Noncontributing Member or (ii) to make a Default Loan equal to the Additional Contribution not made by the Noncontributing Member or (b) with the unanimous written consent of each Contributing Member, to declare the Company terminated as a result of the Noncontributing Member's default. In the event that more than one Contributing Member desires to make an Additional Contribution, or is permitted to make a Default Loan, on account of the Noncontributing Member, each such Contributing Member shall be permitted to participate in proportion to their respective Interests. All loans made pursuant

to this Section 7.2 shall bear interest at the Default Rate.

7.3 Upon the making of a capital contribution to the Company pursuant to Section 7.2, the Interest of the Noncontributing Member and the Contributing Members shall be adjusted as follows: (a) the Noncontributing Member's Interest shall be decreased (but not below zero) by subtracting therefrom an amount equal to the percentage equivalent of the quotient of (i) the Additional Contribution not made by the Noncontributing Member giving rise to application of this Section 7.3 multiplied by (A) 200% upon the first failure of the Noncontributing Member to make an Additional Contribution, (B) 300% upon the second such failure and (C) 400% upon the third such failure, divided by (ii) the aggregate amount of all Capital Contributions made by the Members (including the Additional Contributions received by the Company), and (b) the Contributing Members' Interest shall be increased by adding thereto an amount equal to the percentage by which the Noncontributing Member's Interest was decreased pursuant to clause (a) above. Upon the fourth and each subsequent failure of the Noncontributing Member to make an Additional Contribution giving rise to the application of this Section 7.3, a majority-in-interest of the Contributing Members shall have the option, exercisable in their sole discretion, to cause the remaining Interest of the Noncontributing Member to be forfeited and allocated to the Contributing Members or to continue re-allocating the Interests of the Noncontributing Member and Contributing Members as provided in the preceding sentence except that the percentage multiple set forth in clause (i) (C) shall be increased 100% for each failure of the Noncontributing Member to make an Additional Contribution. An example of the operation of this Section 7.3 with respect to a re-allocation of Interests upon the first failure of a Noncontributing Member to make an Additional Contribution, is set forth in Schedule B attached hereto.

7.4 The obligations of the Members contained in this Section 7 are personal and run only to the benefit of the Company and the Members and may not be enforced by any third parties. No creditor of the Company may rely on the foregoing provisions of this Article 7 or any other provision of this Operating Agreement to make any contributions or returns to the Company, notwithstanding any agreement, representation, intention, indication or otherwise to the contrary.

ARTICLE 8
CASH DISTRIBUTIONS

8.1 The Company shall distribute Income to the Members at such times as the Company shall determine (but not less often than quarterly), in the following order of priority:

(a) first, to any Member who made a Default Loan, to the payment of accrued and unpaid interest, and the then outstanding principal balance of, any Default Loan, such distribution to be proportion to the aggregate amount of interest, and the principal, owed. If more than one Member participates in the making of a Default Loan, then distributions to such Members

on account of this Section 8.1(a) shall be made in proportion to the amounts so loaned. If there shall be more than one instance in which a Default Loan has been made, then Default Loans shall be repaid in the order in which they shall have been outstanding the longest;

(b) second, to the Members in an amount equal to and in proportion to their Unrecovered Additional Contributions;

(c) next, to the Members in an amount sufficient to give them a ten percent (10%) return compounded annually on the aggregate of their Capital Contributions and Additional Contributions;

(d) next, to Sonia Seidman and the Managing Member in an amount sufficient to pay to them, in the aggregate, up to twenty percent (20%) of the net annual profits of the Company for each year calendar that the Company is in existence to be paid 5% to the Managing Member and 15% to Sonia Seidman; and

(e) the balance, if any, shall be distributed to the Members in proportion to their Interests.

8.2 Notwithstanding Section 8.1, Net Proceeds from a Capital Transaction which constitutes a liquidation of the Company, together with other funds remaining to be distributed, shall be distributed to the Members no later than the later of (a) the end of the taxable year of the Company in which such liquidation occurs; or (b) within ninety (90) days after the date of such liquidation event, after payment of all Company liabilities and expenses (or adequate provision therefor), in accordance with Section 9.1, except that in no event shall (x) a distribution be made to any Member if, after giving effect to such distribution, all liabilities of the Company, other than liabilities to Members on account of their Interests and liabilities for which the recourse of creditors of the Company is limited to specified property of the Company, exceed the fair value of the assets of the Company, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the Company only to the extent that the fair value of the property exceeds that liability and (y) the distribution to a Member exceed the positive balance in such Member's Capital Account after giving effect to all allocations to such Member under Article 9 of Net Profits, Net Losses, and Gain and Loss from Capital Transactions so that liquidation proceeds shall be distributed in accordance with each Member's positive Capital Account balance (within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(b) as in effect on the date hereof). If a members shall receive a distribution that should not have been made based upon the provisions of Section 8.2 (x), the provisions of Section 42:2B-42 (b) of the act shall apply . Section 42:2B-42(c) of the Act shall apply to all distributions made to the Members.

ARTICLE 9
TAX ALLOCATIONS

10.1 Net Profits, Net Losses and any investment tax credit for each fiscal year or part thereof shall be allocated to the Members in proportion to their Interests.

10.2 Gain from a Capital Transaction shall be allocated in the following order:

(a) There shall first be allocated to those Members, if any, who have deficit balances in their Capital Accounts immediately prior to such Capital Transaction an amount of such gain equal to the aggregate amount of such deficit balances, which amount shall be allocated in the same proportion as such deficit balances.

(b) There shall next be allocated to each of the Members gain in proportion to (but not greater than) the amount by which (x) the amount of Net Losses theretofore allocated to each Member and not theretofore taken into account under this Section 9.2(b), exceeds (y) the gain allocated to such Member under Section 9.2(a).

(c) There shall next be allocated to each of the Members gain equal to the amount by which (x) the aggregate proceeds derived from a Capital Transaction distributable to each Member in accordance with the provisions of Section 8.1 or 8.2 other than with respect to Default Loans, as the case may be, exceeds (y) the positive balance, if any, in such Member's Capital Account after such Member's Capital Account has been adjusted to reflect the gain allocated to such Member pursuant to Sections 9.2(a) and 9.2(b); provided, however, that if there shall be an insufficient amount of gain determined by this Section 9.2(c), then the gain shall be allocated to the Members in proportion to the respective amounts determined pursuant to this Section 9.2(c).

(d) Any remaining gain shall be allocated among the Members in proportion to their Interests.

(e) If the Company shall realize, upon a Capital Transaction, gain which is treated as ordinary income under Sections 1245 or 1250 of the Code, such ordinary income shall be allocated to the Members who receive the allocation of the depreciation or cost recovery deduction that generated the ordinary income in the same proportions as such deductions.

(f) Notwithstanding the foregoing, distributions of Income made to a Member for interest and in repayment of the principal on any Default Loan shall not be treated as Income for the purpose of allocating gain pursuant to this Section 9.2 or for any other purpose. Any interest on a Default Loan shall be treated as a "guaranteed payment" for purposes of Section 707(c) of the Code.

10.3 Losses from Capital Transactions shall be allocated in the following order:

(a) There shall first be allocated to those Members, if any, whose positive balances in their Capital Accounts exceed their Unrecovered Additional Contributions, an amount of such loss equal to such excess amount, which amount shall be allocated in the same proportion as such excess amounts.

(b) There shall next be allocated to those Members, if any, that have positive balances in their Capital Accounts, an amount of such loss equal to the aggregate amount of such positive balances, which amount shall be allocated in the same proportion as such positive balances.

(c) The balance of such loss shall be allocated to the Members in proportion to their Percentage Interests.

10.4 Notwithstanding the preceding provisions of this Article 10:

(a) Except as provided in sub-section (e) below, no allocation of loss or deduction shall be made to a Member if such allocation would cause at the end of any taxable year a deficit in such Member's Adjusted Capital Account to exceed his allocable share of Minimum Gain; and any such loss or deduction not allocated to a Member by reason of this Section 9.4 shall be allocated pro-rata to each other Member if and to the extent that such allocation shall not create a deficit in such other Member's Adjusted Capital Account in excess of his allocable share of Minimum Gain; provided, however, that if such allocation would create such deficit in all Members' Adjusted Capital Accounts in excess of their share of Minimum Gain, then such allocation shall be made in accordance with the principles of Treasury Regulation Section 1.704-1(b).

(b) If, during any taxable year, there is a net decrease in Minimum Gain then, before any other allocations are made for such year, each Member shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to each Member's share of the net decrease in Company Minimum Gain (within the meaning of Treasury Regulation Section 1.704-2(g)(2)) in a manner so as to satisfy the requirements of Treasury Regulation Section 1.704-2(f).

(c) If, during any taxable year, there is a net decrease in Company Minimum Gain Attributable to Member to Member Nonrecourse Debt, then, before any other allocations are made for such year other than those pursuant to Section 9.4(b) above, each Member with a share of the Company Minimum Gain Attributable to Member Nonrecourse Debt at the beginning of the year shall be allocated items of Company income and gain for such year (and, if necessary, for subsequent years) in an amount equal to each Member's share of the net decrease in Minimum Gain Attributable to Member Nonrecourse Debt as determined in accordance with Treasury Regulation Section 1.704-2(i)(4) in a manner so as to satisfy the requirements of said Treasury Regulation.

(d) If during any taxable year a Member unexpectedly receives (i) a distribution of cash or property from the Company or (ii) an adjustment or

allocation described in either Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4) as in effect on the date hereof (concerning depletion allowances with respect to oil and gas properties) or Treasury Regulation Section 1.704-1 (b) (2) (ii) (d) (5) as in effect on the date hereof (concerning allocations of loss and deduction in interests change during the year, if an interest is acquired by gift or if a Member receives certain Company property in redemption of part or all his interest), and if such adjustment, allocation or

distribution would cause at the end of the taxable year a deficit balance in such Member's adjusted capital account in excess of his allocable share of Minimum Gain, then a pro-rata portion of each item of Company income, including gross income, and gain for such taxable year (and, if necessary, subsequent taxable years) shall be allocated to such Member in an amount and in a manner sufficient to eliminate such excess balance as quickly as possible before any other allocation is made for such year other than pursuant to Section 9.4(b) above so as to satisfy the requirements of Treasury Regulation Section 1.704-1(b) (2) (ii) (d) (qualified income offset).

(e) To the extent required by Treasury Regulation Section 1.704-2(i) (1), Member Nonrecourse Debt Deductions for any taxable year shall be allocated to the Member (or Members) who bear(s) the economic risk of loss of such Member Nonrecourse Debt.

(f) In the event that any allocation is or has been made to a Member pursuant to Sections 9.4(a), (b), (c), (d) or (e) above, subsequent items of income, deduction, gain and loss shall be allocated before any other allocations are made (subject to the provisions of said Sections) to the Members in the manner which would result in each Member having a Capital Account balance equal to what it would have been had the allocation pursuant to said Sections.

(g) Upon the occurrence of an event described in Section 6.4(c), all Company property shall be revalued on the Company's books at fair market value, Capital Accounts will be adjusted in accordance with Section 6.4 (c), and subsequent allocations of taxable income, gain, loss and deductions shall, solely for tax purposes, be made necessary so as to take account of the variation between the adjusted tax basis and the fair market value of such property in accordance with Section 704 of the Code and the Treasury Regulations thereunder.

(h) For the purposes of this Article, each Member's "Adjusted Capital Account" shall equal the Capital Account of each Member (1) reduced at the end of each taxable year by the sum of (x) the excess of distributions reasonable expected to be made to such Member over the offsetting increases to such Member's Member's Capital Account reasonably expected to be made in the same taxable year as the aforesaid distributions, (y) adjustments expected to be made to such Member's Capital Account described in Treasury Regulation Section 1.704-1(b) (2) (ii) (d) (4) as in effect on the date hereof (concerning depletion allowances with respect to oil and gas properties), and (z) allocations expected to be made described in Treasury Regulation Section 1.704-1

(b) (2) (ii) (d) (5) as in effect on the date hereof (concerning allocations of loss and deduction if Interests change during the year, if an Interest is acquired by gift or if a Member receives certain Company property in redemption of part or all of his Interest in the Company), and (2) increased by the sum of (i) the amount, if any, which the Member is obligated to restore the Company upon liquidation of his Interest if a deficit balance exists in his Capital Account at such time, (ii) the outstanding principal balance of any promissory note made by such Member and contributed to the company if such note is not readily tradable on an established securities market and if such note must be satisfied within ninety (90) days after the date said Member's Interest is liquidated and (iii) the sum of (a) the amount the Member would be personally liable for either as a Member or in his individual capacity as a guarantor or otherwise, and (b) the economic risk of loss the Member would bear attributable to any Company liability (as determined in accordance with Treasury Regulation Section 1.752-2).

(i) In accordance with Section 704(b) and (c) of the Code and Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company (including all or part of any deemed capital contribution under Section 708 of the Code) shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company and its agreed value. In the event that Capital Accounts are ever adjusted pursuant to Treasury Regulation Section 1.704-1(b) (2) to reflect the fair market value of any Company property, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset and its value as adjusted in the same manner as required under Section 704(c) of the Code and the Regulations thereunder.

(j) The allocations provided in this Section 10.4 are intended to comply with the provisions of Section 704(b) of the Code and the regulations thereunder. However, if any such allocation causes a distortion in the Members' Interest in contravention of the Members' economic arrangement as reflected in Article 6, the Company has the authority to make curative allocations to bring such allocations in accordance with such Member's Interest, as if such allocations which caused the distortion had not occurred and to bring such allocations in compliance with Section 794(b) of the Code and regulations thereunder.

ARTICLE 10
RIGHTS, POWERS AND REPRESENTATIONS OF THE MEMBERS

10.1 All decisions, consents, authorizations and rights in connection with the business and affairs the company shall be carried on and managed by a majority in interest of the Members, which shall have full, exclusive and

complete discretion with respect thereto. Any Member or person acting pursuant to any authority granted to him in writing by a majority in interest of the Members shall have all necessary and appropriate powers to carry out the authority so granted, and no other Member or person without such authority so granted shall have the right to take any action or give any consent, by affirmative act or acquiescence, to any matter or thing, affecting the Company, Premises or Project. In furtherance of the foregoing, any Member or person so authorized as provided above may:

(a) negotiate, execute, deliver and perform on behalf of, and in the name of, and in the name of, the Company any and all contracts, deeds, assignments, deeds of trust, leases, subleases, promissory notes and other evidences of indebtedness, mortgages, bills of sale, financing statements, security agreements, easements, stock powers, and any and all other instruments necessary or incidental to the business of the Company and the financing thereof,

(b) borrow money, without limit as to amount, and to secure the payment thereof by mortgage, pledge, or assignment of, or security interest in, all or any part of the assets then owned or thereafter acquired by the Company,

(c) effectuate the purpose of the Company as provided in Article 5 hereof,

(d) establish, maintain and draw upon checking and other accounts of the Company,

(e) execute any notifications, statements, reports, returns or other filings that are necessary or desirable to be filed with any state or Federal agency, commission or authority,

(f) enter into contracts in connection with the business of the Company,

(g) arrange for facsimile signatures for the Members in executing and all documents, papers, checks or other writings or legal instruments which may be necessary or desirable in the Company business, and

(h) execute, ackowledge and deliver any and all contracts, documents and instruments deemed appropriate to carry out any of the foregoing purposes and intent of this Operating Agreement.

10.2 In the management of the Company, and with respect to any and all decisions with respect to the Company and its business and the conduct of its operations, the Members of the Company shall have a cumulative total of one hundred (100) votes, and each Member shall have the number of votes equal to his/her Interest. Wherever and whenever the word "majority" appears in this Operating Agreement, either as a noun or as an adjective, it shall mean for all

purposes that number of Members whose votes when considered or added together constitute more than fifty (50) of the total one hundred (100) votes of all the Members. Any act or decision of any of the Members may be confirmed, overruled or precluded by the majority of the Members.

10.3 Each of the Members, on their own behalf and on behalf of anyone who shall represent their Interests, hereby waives notice of the time, place or purpose of any meeting at which any matter is to be voted on by the Members or anyone acting by or for them, waives any requirement that there be such a meeting and agrees that any action may be taken by consent without a meeting.

10.4 The fact that the Members are directly or indirectly interested in or connected with any person, firm or corporation employed by the Company to render or perform a service, or from which or whom the Company may buy merchandise, material or other property shall not prohibit the Company from employing such persons, firms or corporations, or from otherwise dealing with him under such reasonable terms and conditions as the Company may determine.

ARTICLE 11
MANAGING MEMBER

11.1 Notwithstanding any provision contained in Article 10 to the contrary, the daily affairs of the Company shall be conducted by the Managing Member who shall the power and authority to make ordinary and usual decisions concerning the business and affairs of the Company. The Managing Member shall have the power and authority, on behalf of the Company, to do the following:

(a) open one or more depository accounts and make deposits into and checks and withdrawals against such accounts;

(b) invest the capital resources of the Company, in amounts not to exceed one hundred and twenty-five percent (125%) of the capital of the Company without the prior consent of a majority in interest of the Members, in stocks, bonds and other securities of publically traded companies (collectively "Permitted Investments"), including the ability to buy, sell, exchange, swap or transfer such securities;

(c) open one or more cash or margin brokerage accounts in the name of the Company for purposes of making Permitted Investments;

(d) obtain insurance covering the business and affairs of the Company;

(e) commence, prosecute or defend any proceeding in the Company's name; and

(f) enter into any and all agreements and execute any and all contracts, documents and instruments necessary or required to

effectuate the foregoing.

11.2 Notwithstanding any provision contained in this Operating Agreement to the contrary, it is specifically agreed between the Members that the Company shall make no investment in Cali Realty Corporation without the unanimous prior consent of all Members.

11.3 (a) The Managing Member shall perform and discharge his duties as a manager in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner he reasonably believes to be in the best interests of the Company. The Managing Member shall not be liable for any monetary damages to the Company for any breach of such duties except for: receipt of a financial benefit to which the Manager is not entitled; voting for or assenting to a distribution to Members in violation of this Operating Agreement or the Act; a knowing violation of the Law; fraud; or a willful breach of fiduciary obligations owed to the Members.

(b) The Managing Member shall devote a significant amount of his time and efforts to furthering the business and investments of the Company and any other corporations and partnerships formed to invest in the stock in private and public companies or real estate assets and mortgages. The Managing Member shall also be permitted to perform consulting and legal services for Environmental Waste Management Associates, Inc., its principal shareholders, Richard Greenberg, and for Glenn Woo and other real estate related clients. In compensation equal to $125,000, payable quarterly.

11.4 Unless otherwise provided by law or expressly assumed, a person who is a Member or manager, or both, shall not be liable for the acts, debts or liabilities of the Company.

11.5 The Company shall indemnify the Managing Member and each other Member and may indemnify and employee or agent of the Company who was or is a party or is threatened to be made a party to threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal, other than action by or in the right of the Company, by reason of the fact that such person is or was a manager, employee or agent of the Company against expenses, including attorneys fees, judgements, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the action, suit or proceeding, if the person acted in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner that such person reasonably believed to be in the best interests of the Company and with respect to a criminal action or proceeding, if such person had no reasonable cause to believe such person's conduct was unlawful. To the extent

that a Member, employee or agent of the Company has been successful on the merits or otherwise in defense of an action, suit or proceeding or in defense of any claim, issue or other matter in the action, suit or proceeding, such person shall be indemnified against actual and reasonable expenses, including attorneys fees incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided herein. Any indemnification permitted under this Article, unless ordered by a court, shall be made by the Company only as authorized in the specific case upon a determination that the indemnification is proper under the circumstances because the person to be indemnified has met the applicable standard of conduct and upon an evaluation of the reasonableness of expenses and amount paid in settlement. This determination and evaluation shall be made by a majority vote of the Members who are not parties or threatened to be made parties to the action, suit or proceeding. Notwithstanding the foregoing to the contrary, no indemnification shall be provided to the Managing Member or any other Member, employee or agent of the Company for or in connection with the receipt of a financial benefit to which such person is not entitled, voting for or assenting to a distribution to Members in violation of this Operating Agreement of the Act, or a knowing violation of law.

ARTICLE 12
BOOKS, RECORDS AND REPORTS

12.1 At all times during the continuance of the Company, the Company shall keep or cause to be kept full and true books of account, in which shall be entered fully and accurately each transaction of the Company. The books of account, together with an executed copy of the Certificate of Formation of the Company and any amendments thereto, shall at all times be maintained at the principal office of the Company and shall be open to inspection and examination by the members or their representatives at reasonable hours and upon reasonable notice. For purpose hereof, the Company shall keep its books and records on the same method of accounting employed for tax purposes.

12.2 The fiscal year of the Company shall be the calendar year. Within a reasonable time after the end of each fiscal year and in any event on or before thirty (30) days prior to the filing date for individual tax returns (including extensions), the accountants for the Company shall deliver to each Member (a) upon request of a Member, an annual statement of the Company's accountants, and (b) a report or a tax return setting forth such Member's share of the Company's profit or loss for such year and such Member's allocable share of all items of income, gain, loss, deduction and credit for Federal income tax purposes.

12.3 The Company shall also cause to be prepared and filed all Federal, state and local tax returns required of the Company. All books, records, balance sheets, statements, reports and tax returns required pursuant to Section 12.1 and 12.2 hereof shall be prepared at the expense of the Company.

ARTICLE 13

BANK ACCOUNTS

13.1 All funds and income of the Company (a) shall be deposited in the name of the Company in such bank account or accounts as shall be designated by the Managing Member, (b) shall be invested in such Permitted Investments as Managing Member shall determine and (c) shall be kept separate and apart from the funds of any other individual or entity.

13.2 Withdrawals from any such bank account or accounts shall be made upon the signature of any person so designated by the Company in writing.

ARTICLE 14
RIGHTS AND DUTIES OF MEMBERS

14.1 Subject to duties and obligations of the Managing Member, it is expressly understood that each Member may engage in any other business or investment, whether or not in direct competition with the business of the Company, and neither the Company nor any other Member shall have any rights in and to said businesses or investments, or the income or profits derived therefrom.

14.2 The Managing Member may employ, on behalf of the Company, such persons, firms or corporations, including those firms or corporations in which any Member has an interest, and on such terms as the Managing Member shall deem advisable in the operation and management of the business of the Company, including, without limitation, such accountants, attorneys, architects, engineers, contractors, appraisers and experts.

14.3 No Member shall be personally liable to the Company or any of the other Members for any act or omission performed or omitted by him, except if such act or omission was attributable to willful misconduct or gross negligence.

14.4 Each Member (and each former Member) shall be indemnified and saved harmless by the Company from any loss, damage or expense incurred by him by reason of any act or omission performed or omitted by him, except if such act or omission was attributable to willful misconduct or gross negligence.

ARTICLE 15
TAX MATTERS

15.1 (a) Notwithstanding any provisions hereof to the contrary, each of the Members hereby recognizes that the Company will be a partnership for United States federal income tax purposes and that the Company will be subject to all provisions of Subchapter K of Chapter 1 of Subtitle A of the Code; provided, however, that the filing of U.S. Partnership Returns of Income shall not be construed to extend the purposes of the company or expand the obligations or liabilities of the Members. At the request of any Member, the Company shall file an election under Section 754 of the Code.

(b) The Company shall engage an accountant (the "Accountant") to prepare at the expense of the company all tax returns and statements, if any, which must be filed on behalf of the Company regarding the Premises and the operation, dissolution and liquidation of the Company with any taxing authority.

(c) Lawrence Seidman is designated Tax Matters Member (herein "TMM") for purposes of Chapter 63 of the Code and the Members will take such actions as may be necessary, appropriate, or convenient to effect the designation of Lawrence Seidman as TMM. The TMM shall attempt to comply with the responsibilities outlined in this Section 15.1 and in Sections 6222 through 6231 of the Code (including any Treasury Regulations promulgated thereunder).

ARTICLE 16
BANKRUPTCY OF A MEMBER

16.1 Unless a majority in interest of the Members shall elect otherwise, a Member shall cease to be a Member of the Company:

(a) if he/she/it:

(i) Makes an assignment for the benefit of creditors;

(ii) Files a voluntary petition in bankruptcy;

(iii) Is adjudged bankrupt or insolvent, or has entered against him an order for relief, in any bankruptcy or insolvency proceeding;

(iv) Files a petition or answer seeking for himself/herself/itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;

(v) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him/her/it in any proceeding of this nature; or

(vi) Seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of his/her/its properties; or

(b) One hundred twenty (120) days after the commencement of any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or within

ninety (90) days after the appointment without his consent or acquiescence of a trustee, receiver or liquidator of the Member or of all or any substantial part of his/her properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

ARTICLE 17
ASSIGNABILITY, TRANSFER OR PLEDGE OF INTERESTS; RESIGNATION OF MEMBER

17.1 (a) No Member shall have the right to assign, convey, sell or otherwise transfer or dispose of, or pledge, mortgage, hypothecate or otherwise encumber his/her/its Interest, whether record or beneficial interest thereof, without the prior written consent of the Company. Notwithstanding the preceding sentence, but subject to the restrictions on transferability required by law, or set forth in any instrument or agreement by which the Company may be bound, or which may be contained in this Operating Agreement, an individual Member, if any, may, without any consent, assign, convey, sell or otherwise transfer or dispose of all or any portion of his interest in the Company to any one or more of the members of his/her immediate family or families (defined for the purposes of this Operating Agreement as a mother, father, sister, brother, son, daughter, stepson, stepdaughter or spouse (in each instance whether by marriage or otherwise)) and/or a trust or other entity for the benefit thereof or themselves, by a written instrument of assignment and assumption, provided that the instrument of transfer provides for the assumption of the assignor's liabilities and obligations hereunder and has been duly executed by the assignor of such interest and by the transferee. The Member shall notify the Company of any assignment, transfer or disposition of a beneficial interest in any interest of the Member which occurs without a transfer of record ownership, although such notification, or the absence of a response thereto, shall not be deemed a consent thereof.

(b) An assignee or transferee of any portion of the interest of the Member shall be entitled to receive allocations and distributions

attributable to the interest acquired by reason of such assignment from and after the effective date of the assignment of such interest to such assignee; however. anything herein to the contrary notwithstanding, the Company shall be entitled to treat the assignor of such interest of the Member as the absolute owner thereof in all respects, and shall incur no liability for allocations of net income, net losses, or gain or loss on sale of Company property, or transmittal of reports and notices required to be given to Members hereunder which are made in good faith to such assignor until such time as the written assignment has been received by the Company, approved and recorded on its books and the effective date of the assignment has passed. Provided that the Company has actual notice of any assignment of the interest of the Member, the effective date of such assignment on which the assignee shall be deemed an assignee of record shall be the date set forth on the written instrument of assignment.

(c) Any assignment, sale, exchange, transfer or other disposition in contravention of any of the provisions of this Article 17 and Article 18 hereof shall be void and ineffective and shall not bind or be recognized by the Company.

(d) In the event that there shall be more than one assignee, transferee, representative or other successor in interest as permitted herein (collectively, the "Transferees") and the Member as of the date of this Operating Agreement shall remain a Member, then the Member shall be authorized to act, and shall so act, on behalf of the Member and all of the Transferees acting as such by, through or under the Member. In the event that there shall be more than one Transferee, and the Member as of the date of this Operating Agreement shall no longer be a Member, then the Company must be advised by the Member whose interest is the subject of such event or failing which by a two-thirds (2/3) majority in interest of those holding any portion of the interests of the Member, of one person to act on behalf of all the Transferees. The Member, if the first sentence of this paragraph shall be applicable, or the person so noted to the Company, if the second sentence of this paragraph shall be applicable, shall be authorized to act, and shall so act, for all of the Transferees, all of whom shall be bound by any decision or action taken by such person, and the Company, the Company and all of the other Members, shall be entitled to rely on the decisions or actions taken by such person. Until the Company shall be advised as to the identity of such person, (i) the Transferees shall be entitled only to distributions and tax allocations as provided in Article 8 and 9 hereof, but shall have no right, power or authority with respect to any decision making reserved herein to the Members or any of them and (ii) wherever in this Operating Agreement provision shall be made for the Members to make decisions with respect to Company matters, the interests of the Member, as transferred to the Transferees, shall not be included in determining whether the requisite interest of members have consented to or approved of such decision.

17.2 Without the prior written consent of all Members and other than as provided in Section 6.1(b) above, a Member may not resign from the Company prior to the dissolution and winding up of the Company.

ARTICLE 18
ADMISSION OF SUBSTITUTED MEMBERS; DEATH OR INCAPACITY; FURTHER CONDITIONS

18.1 No assignment or transfer of all or any part of the interest of a Member permitted to be made under this Operating Agreement shall be binding upon the Company unless and until a duplicate original of such assignment or instrument of transfer, duly executed and acknowledged by the assignor and the transferee, has been delivered to the Company.

18.2 As a condition to the admission of any substituted Member, as

provided in Article 17 hereof, the person so to be admitted shall execute and acknowledge such instruments, in form and substance reasonably satisfactory to the Company, as a majority in interest of the Members may deem necessary or desirable to effectuate such admission and to confirm the agreement of the person to be admitted as a Member to be bound by all of the covenants, terms and conditions of this Operating Agreement, as the same may have been amended.

18.3 Any person to be admitted as a member pursuant to the provisions of this Operating Agreement shall, as a condition to such admission as a Member, pay all reasonable expenses in connection with such admission as a Member, including, but not limited to, the cost of the preparation, filing and publication of any amendment to this Operating Agreement and/or Certificate of Formation.

18.4 In the event of the death or adjudication of incompetency of a Member, or upon the happening of any event described in Article 16, the executor, administrator, committee or other legal representative of such Member, or the successor in interest of such Member, shall succeed only to be right of such Member to receive allocations and distributions hereunder, and may be admitted to the Company as a Member in the place and stead of the deceases, incompetent, or bankrupt Member in accordance with this Article 18, but shall not be deemed to be a substituted Member unless so admitted. Such event, however, shall cause a termination or dissolution of the Company within one hundred twenty (120) days of such event unless a majority in interest of the Members shall elect to continue the Company within said one hundred twenty (120) day period.

18.5 Notwithstanding anything to the contrary contained in this Operating Agreement, no sale or exchange of an interest in the Company may be made if the interest sought to be sold or exchanged, when added to the total of all other interests sold or exchanged within the period of twelve (12) consecutive months prior thereto, results in the termination of the Company under Section 708 of the Code without the prior written consent of a majority in interest of the Members.

18.6 In the event of a permitted transfer of all or part of the interest of a Member, the Company shall, if requested, file an election in accordance with Section 754 of the Code or a similar provision enacted in lieu thereof, to adjust the basis of the Property of the Company. The Member requesting said election shall pay all costs and expenses incurred by the Company in connection therewith.

ARTICLE 19
LIQUIDATION

19.1 Upon the dissolution of the Company, the Company shall be

liquidated and its assets distributed as required by Section 42:2B-51 of the Act.

19.2 The assets of the Company shall be liquidated as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice.

19.3 In the event that any proceeds are to be distributed to the Members same shall be distributed, if practicable, no later than the later of (i) the end of the taxable year of the Company in which such liquidation occurs; or (ii) within ninety (90) days after the date of such liquidation event.

19.4 In any liquidation, the Company's assets shall be used first to pay the costs and expenses of the dissolution and liquidation. The liquidation trustee (which may be a Member) shall be entitled to establish reserves to provide for any contingent or unforeseen liabilities or obligations of the Company.

19.5 With respect to distributions to Members, said distributions shall be made:

(a) first, to the repayment of any accrued and unpaid interest on, and the then outstanding principal balance of, any Default Loan, in proportion to the aggregate amount of interest, and then principal, owed, and if more than one Member shall have made a Default Loan, then in proportion to the amounts so loaned. If there shall be more than one instance in which a Default loan has been made, the Default loans shall be repaid in the order in which they shall have been outstanding the longest;

(b) second, to the payment of an obligation owed pursuant to Section 11.3 (c).

(c) third, to all Members in proportion to and to the extent of any remaining positive balances in such Member's Capital Account after giving effect to all locations to such Member under Article 10 of this Operating Agreement so that liquidation proceeds shall be

distributed in accordance with each Member's positive Capital Account balance (within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(b) as in effect on the date hereof); and

(d) last, to all Members pro rata in accordance with their Company Interests.

ARTICLE 20
GENDER

20.1 All terms and words used in this Operating Agreement, regardless

of the sense or gender in which they are used, shall be deemed to include each other sense and gender unless the context requires otherwise.

ARTICLE 21
FURTHER ASSURANCES

21.1 The Members agree immediately and from time to time to execute, acknowledge, deliver, file, record and publish such further certificates, amendments to certificates, instruments and documents, and to do all such other acts and things as may be required by law, or as may, in the opinion of a majority in interest of the Members, be necessary or advisable to carry out the intent and purposes of this Operating Agreement.

ARTICLE 22
COVENANT AGAINST PARTITION

22.1 The Members, on behalf of themselves, their legal representatives, heirs, successors and assigns, hereby specifically renounce, waive and fofeit all rights whether arising under contract, statute, or by operation of law, to seek, bring, or maintain any action for partition in any court of law or equity pertaining to any real property which the Company may now or in the future own, regardless of the manner in which title to any such property may be held.

ARTICLE 23
NOTICES

23.1 Unless otherwise specified in this Operating Agreement, all notices, demands, requests or other communications which any of the parties to this Operating Agreement may desire or be required to give hereunder (hereinafter referred to collectively as "Notices") shall be in writing and shall be given by mailing the same by postage prepaid certified or registered mail, return receipt requested, or by nationally recognized overnight courier to the appropriate Member at the address set forth in this Operating Agreement. Notices given in compliance with the provisions of this Article shall be deemed given one (1) business day after delivery to a nationally recognized overnight courier or four (4) business days after mailing in a repository of the United States Postal Service.

ARTICLE 24
APPLICABLE LAW

24.1 The parties agree that the parties shall be governed by, and this Operating Agreement construed in accordance with, the laws of the State of New Jersey applicable to agreements made and to be performed in such state and that all claims and suits shall be heard in the courts located in the State of New Jersey.

ARTICLE 25
CAPTIONS

25.1 All section titles or captions contained in this Operating Agreement are for convenience only and shall not be deemed a part of this Operating Agreement.

ARTICLE 26
COUNTERPARTS

26.1 This Operating Agreement may be executed in counterparts and each counterpart so executed by each Member shall constitute and original, all of which when taken together shall constitute one agreement, notwithstanding that all the parties are not signatories to the same counterpart.

ARTICLE 27
BINDING EFFECT

27.1 This Operating Agreement may not be changed, modified, waived or discharged, in whole or in part, unless in writing and signed by all of the Members. This Operating Agreement shall be binding upon the Members and their respective executors, administrators, legal representatives, heirs, successor and assigns. The singular of any defined term or term used herein shall be deemed to include the plural.

ARTICLE 28
PARTIAL INVALIDITY

28.1 If any term or provision of this Operating Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the reminder of this Operating Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this Operating Agreement shall be valid and enforced to the fullest extent permitted by law.

ARTICLE 29
INTEGRATION

29.1 This Operating Agreement is the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements relative to such subject matter.

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement as of the day and year first above written.

/S/ Lawrence Seidman

/S/ Sonia Seidman

/S/ SEIDCAL ASSOCIATES

By:

/S/ Angelo R. Cali, Partner

/S/ Paul Schmidt

/S/ Richard Greenberg

SCHEDULE A

Required Contributions

Lawrence Seidman
$50,000

Sonia Seidman
$200,000
SEIDCAL Associates
$1,500,000
Paul Schmidt
$100,000
Richard Greenberg
$250,000

SCHEDULE B

PERCENTAGE INTEREST

Lawrence Seidman:
%
Sonia Seidman:
%

SEIDCAL Associates:
%

Paul Schmidt:
%
Richard Greenberg:
%

SCHEDULE B

EXAMPLE OF THE OPERATION OF SECTION 7.3

Assume the following facts:

(a) The interests are as follows:

A	10%
B	30%
C	60%

(b) The aggregate capital contributions made by the Members in proportion to their respective interests is $2,000,000.

(c) The Company requires additional funds of $1,000,000.

(d) A and B each contribute their Additional Contributions to the Company ($100,000 and $300,000, respectively) and C fails to contribute his Additional Contribution ($600,000).

(e) B contributes C's Additional Contribution to Company.

The amount that C's Interest is decreased and the amount that B's Interest is increased is computed as follows:

(i) Multiply the amount of the contribution not made by C ($600,000) by 200% resulting in a product of $1,200,000;

(ii) Divide the result of (i) above ($1,200,000) by the aggregate amount of all capital contributions made by the Members ($3,000,000), resulting in a product of .40;

(iii) Convert the product arrived at in computation (ii) above (.40) to a percentage (by multiplying the same by 100) resulting in 40%. Subtract such percentage from the Company Interest of C (40%) resulting in a new Interest for C of 20%; and

(iv) Increase the Interest of B (30%) by adding thereto the same Percentage that was subtracted from Member C (40%) resulting in a new Interest for B of 70%.

EXHIBIT C

OPERATING AGREEMENT

FOR

SEIDMAN AND ASSOCIATES II, L.L.C.

Dated: February , 1996

INDEX

OPERATING AGREEMENT

FOR

SEIDMAN AND ASSOCIATES II, L.L.C.

AGREEMENT made February , 1996 by and between SONIA SEIDMAN ("Seidman"), having an address at 19 Veteri Place, Wayne, New Jersey 07470; and SEIDCAL ASSOCIATES L.L.C. ("Seidcal"), a New Jersey limited liability company having an address c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016 (hereinafter Seidman and Seidcal may sometimes be referred to individually as a "Member" and collectively as the "Members").

WITNESSETH:

WHEREAS, the Members desire to form a limited liability company (the "Company") pursuant to the New Jersey Limited Liability Company Act (the"Act") and adopt this Operating Agreement in connection therewith; and

WHEREAS, the purpose of the Company shall be to purchase stock in

private and public companies and manage and invest the funds of others for these purposes and for any and all other purposes permitted pursuant to the Act; and

WHEREAS, the Members wish to set forth the terms and conditions as to the manner in which the Company shall be operated and to set forth the rights, obligations and duties of the Members to each other and to the Company; and

WHEREAS, by executing this Operating Agreement, each Member represents that she has sufficient right and authority to execute this Operating Agreement and is not acting on behalf of any undisclosed or partially disclosed principal.

NOW, THEREFORE, in consideration of ten ($10) dollars and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows effective as of the date first written above.

ARTICLE 1
DEFINITIONS

1.1 For purposes of this Agreement, the following terms shall have the definitions set forth below:

"Additional Contribution": Each Member's pro-rata portion of a Required Amount, determined by multiplying the Required Amount by each Member's Interest.

"Additional Member": Any person or entity who acquires an additional interest in the Company.

"Adjusted Capital Account": As defined in Section 9.4(h).

"Capital Account" or "Capital Accounts": As defined in Section 6.4.

"Capital Contributions": The respective capital contributions, including any Additional Contribution,of each Member to the Company.

"Capital Transaction" or "Capital Transactions": Sale, transfer, assignment or exchange of stock purchases or other investments made by the Company or other similar transactions which, in accordance with generally accepted principles, are treated as a capital transaction.

"Certificate of Formation": The Certificate of Formation of the Company filed with the Secretary of State of the State of New Jersey pursuant to the Act to form the Company, as originally executed and as amended, modified, supplemented or restated from time to time, as the context requires.

"Code": The Internal Revenue Code of 1986, as amended, and any reference to a particular section of the Code shall be deemed to include any successor section to such section.

"Company": Seidman and Associates II, L.L.C.

"Contributing Member": A Member which has made its Additional Contribution.

"Default Loan": A loan to the Company of an amount equal to the Additional Contribution not made by a Defaulting Member.

"Defaulting Member": A Member which fails to make her Additional Contribution as required herein.

"Default Rate": A floating rate equal to the lesser of (a) ten (10%) percent per annum in excess of the rate of interest announced from time to time in The Wall Street Journal as the "prime rate" or "base rate" charged by institutional commercial lenders from time to time, or (b) the maximum rate of interest then permitted according to the laws of the State of New Jersey or according to Federal law, to the extent applicable.

"Gain from a Capital Transaction": The gain recognized by the Company attributable to a Capital Transaction, determined in accordance with the method of accounting used by the Company for federal income tax purposes. In the event there is a revaluation of Company property and the Capital Accounts are adjusted pursuant to Section 6.4(c), Gain from a Capital Transaction shall be computed by reference to the "book items" and not the corresponding "tax items".

"Income": Net Proceeds and all other income or amounts, however characterized, received by the Company.

"Interest": The respective percentage interest of each Member as set forth on Schedule A.

"Loss from a Capital Transaction": The loss recognized by the Company attributable to a Capital Transaction, determined in accordance with the method of accounting used by the Company for federal income tax purposes. In the event there is a revaluation of the Company property and the Capital Accounts are adjusted pursuant to Section 6.4(c), Loss from a Capital Transaction shall be computed by reference to the "book items" and not the corresponding "tax items".

"Manager": Lawrence B. Seidman, or such successor appointed by a majority in interest of the Members.

"Member": Each of the parties who has executed this Operating Agreement and any party who may hereafter become an Additional Member or a Substitute Member pursuant to this Operating Agreement.

"Member Nonrecourse Debt": Any nonrecourse debt of the Company for

which a Member bears the economicrisk of loss, determined in accordance with Treasury Regulation Section 1.704-2(b) (4).

"Member Nonrecourse Debt Deductions": With regard to any Member Nonrecourse Debt, the amount of the net increase during any taxable year to the Company in the amount of Minimum Gain Attributable to Member Nonrecourse Debt, over the aggregate amount of any distributions during such year to the Member who bears the economic risk of loss for such debt of proceeds of such debt that are allocable to an increase in the Minimum Gain Attributable to such Member Nonrecourse Debt. Such amounts shall be determined in accordance with Treasury Regulation Section 1.704-2(I) (2).

"Minimum Gain": The amount of gain which would be recognized to the Company for federal income tax purposes if all Company property secured by Nonrecourse Liability were transferred to the creditor of such debt in satisfaction thereof (and for no other consideration) in a taxable transaction. The amount of such gain shall be determined and calculated in accordance with Treasury Regulation Section 1.704--2(g) (I).

"Minimum Gain Attributable to Member Nonrecourse Debt": The amount of gain which would be recognized by the Company for federal income tax purposes if all Company property secured by Member Nonrecourse Debt were transferred to the creditor of such debt in satisfaction thereof (and for no other consideration) in a taxable transaction. The amount of such gain shall be determined and calculated in accordance with Treasury Regulation Section 1.704-2(f) (I) (4).

"Net Proceeds": The net proceeds available to the Company from a Capital Transaction after deducting (I) all costs and expenses incurred in connection therewith, (ii) any liens or other indebtedness which is satisfied or refinanced as a result of such Capital Transaction, and (iii) reasonable reserves established by the Company from time to time for working capital and other purposes.

"Net Profit" and "Net Loss": The net income (including income exempt from tax) and net loss (including expenditures that can neither be capitalized nor deducted), respectively, of the Company, determined in accordance with the method of accounting used by the Company for federal income tax purposes, but computed without regard for Gain from Capital Transactions, Loss from Capital Transactions and items of income or loss, if any, that are specifically allocated to Members. In the event there is a revaluation of Company property and the Capital Accounts are adjusted pursuant to Section 6.4(c), Net Profits and Net Losses shall be computed by reference to the "book items" and not corresponding "tax items".

"Nonrecourse Liability": Any Company debt for which no Member has any economic risk of loss, determined in accordance with Treasury Regulation Section 1.704-2(b) (3).

"Operating Agreement": This Operating Agreement as originally

executed and as amended, modified,supplemented or restated from time to time.

"Required Amount": The amount of cash required by the Company as determined by a majority in interest of the Members.

"Substitute Member": Any transferee of a Member's Interests who is admitted as a Member in the Company pursuant to Article 17 or 18.

"Unrecovered Additional Contributions": The aggregate amount of Additional Contribution made by a Member pursuant to Section 7.1 hereof less prior distributions to such Member of Income which is distributed to repay outstanding Additional Contributions and any interest on any Default Loan specially allocated to such Member.

ARTICLE 2
FORMATION

2.1 The parties hereto do hereby form the Company under the name of SEIDMAN AND ASSOCIATES II, L.L.C. pursuant to the Act. Pursuant to the provisions of the Act, the formation of the Company shall be effective upon the filing of the Certificate of Formation.

In order to maintain the Company as a limited liability company under the laws of the State of New Jersey, the Company shall from time to time take appropriate action, including the preparation and filing of such amendments to the Certificate of Formation and such other assumed name certificates, documents, instruments and publications as may be required by law, including, without limitation, action to reflect:

(I) a change in the Company name;

(ii) a correction of a defectively or erroneously executed Certificate of Formation;

(iii) a correction of false or erroneous statements in the Certificate of Formation or the desire of the Members to make a change in any statement therein in order that it shall accurately represent the agreement among the Members; or

(iv) a change in the time for dissolution of the Company as stated in the Certificate of Formation and in this Agreement.

Section 2.2 Other Instruments. Each Member hereby agrees to execute and deliver to the Company within five (5) days after receipt of a written request therefor, such other and further documents and instruments, statements of

interest and holdings, designations, powers of attorney and other instruments and to take such other action as the Company deems necessary, useful or appropriate to comply with any laws, rules or regulations as may be necessary to enable the Company to fulfill its responsibilities under this Operating Agreement, to preserve the Company as a limited liability company under the Act and to enable the Company to be taxed as a partnership for federal and state income tax purposes.

ARTICLE 3
PRINCIPAL OFFICE

3.1 The Company's registered office in New Jersey shall be at 19 Veteri Place, Wayne, New Jersey 07470. The Company's registered agent who is a resident of New Jersey is Lawrence B. Seidman, whose address is 19 Veteri Place, Wayne, New Jersey 07470. At any time, the Company may designate another registered agent and/or office.

3.2 The principal place of business of the Company shall be at 19 Veteri Place, Wayne, New Jersey 07470. At any time, the Company may change the location of its principal place of business and may establish additional offices.

ARTICLE 4
TERM AND DURATION

4.1 The Company shall commence upon the filing of the Certificate of Formation, and shall continue in full force and effect until May 1, 2024, provided, however, that the Company shall be dissolved prior to such date upon the happening of any of the following events:

(a) The mutual written consent of the Members to dissolve the Company.

(b) The sale or other divestiture of all or substantially all of the assets of the Company and the distribution of the proceeds thereof to the Members, including real estate or interests held or owned by the Company (other than a transfer to a nominee of the Company for any Company purpose, which event shall not be construed as an event of termination); provided, however, that (I) if the Company receives a purchase money mortgage or other collateral security in connection with such sale, the Company shall continue (A) until such mortgage or security interest is paid in full or otherwise disposed of, or (B) in the event of foreclosure of such mortgage, or security interest provided the Company retains title therein; and (ii) the Company shall continue if the assets of the Company are exchanged under Section 1031 of the Code.

(c) Upon the death, retirement, expulsion, bankruptcy or dissolution of a Member or occurrence of any other event that terminates the continued membership of a Member in the Company (a "Dissolution Event") unless the

business of the Company is continued by the unanimous consent of the remaining Member(s) within ninety (90) days following the Dissolution Event.

(d) The entry of a decree of judicial dissolution under Section 49 of the Act.

(e) The happening of any other prior event which pursuant to the terms and provisions of this Operating Agreement shall cause a dissolution or termination of the Company.

4.2 Upon any dissolution of the Company, the distribution of the Company's assets and the winding up of its affairs shall be concluded in accordance with Article 19 of this Operating Agreement.

ARTICLE 5
PURPOSE

5.1 The business of the Company shall be for the purpose of:

(a) Purchasing stock in private and public companies and managing and investing funds of others for these purposes.

(b) Such other activities incident or appropriate to the foregoing, including acting directly or in conjunction with others through joint ventures, partnerships or otherwise.

5.2 The business of the Company shall also be for any lawful purpose.

ARTICLE 6
CAPITAL CONTRIBUTIONS BY THE MEMBERS

6.1 (a) Upon execution hereof, or at such other times as determined by the Manager, each Member shall contribute in cash to the capital of the Company an amount in the aggregate equal to that set forth opposite her/its name on Schedule A attached hereto.

(b) A Member's interest in the Company shall be represented by the percentage interest held by such Member. Each Member's respective initial interest in the Company is set forth opposite her/its name on Exhibit B attached hereto.

6.2 No Member shall have the right to withdraw any part of her/its Capital Contribution or receive any distribution, except in accordance with the provisions of this Operating Agreement. No interest shall be paid on any Capital Contribution.

6.3 No Member shall have any priority over any other Member with respect to the return of Capital Contributions.

6.4 The Company shall maintain a capital account (a "Capital Account") for each Member within the provisions of Treasury Regulation Section 1.704-1 (b) (2) (iv) as such regulation may be amended from time to time. Without limiting the foregoing, the Member's Capital Accounts shall be adjusted as follows:

(a) Subject to the last sentence of Section 6.4 (c), the Capital Account of each Member shall be credited with (I) an amount equal to such Member's initial cash contribution and any additional cash contributions to the Company and the fair market value of property or securities contributed to the Company (net of liabilities secured by such property) if a contribution of property or securities shall be permitted by the Company and (ii) such Member's share of the Company's Net Profits and Gain from Capital Transactions (including income and gain exempt from tax).

(b) Subject to the last sentence of Section 6.4 (c), the Capital Account of each Member shall be debited by (I) the amount of cash distributions to such Member and the fair market value of property and/or securities distributed to the Member (net of liabilities secured by such property and/or securities) and (ii) such Member's share of the Company's Net Loss and Net Loss from Capital Transactions (including expenditures which are not permitted to be capitalized or deducted for tax purposes).

(c) Upon the transfer of an interest in the Company, the Capital Account of the transfer Member (as adjusted, if at all, as required by this Section 6.4) that is attributable to the transferred interest will be carried over to the transferee Member. The Capital Account will not be adjusted to

reflect any adjustment under Section 743 of the Code except as specifically provided in Treasury Regulation Section 1.704-1 (b) (2) (iv) (m). Upon (I) the "liquidation of the Company" (as hereinafter defined), (ii) the "liquidation of a Member's interest in the Company" (as hereinafter defined), (iii) the distribution of money, property or securities to a Member as consideration for an interest in the Company, or (iv) the contribution of money or (if permitted pursuant to (a) above) property and/or securities to the Company by a new or existing Member as consideration for an interest in the Company, or upon any transfer causing a termination of the Company for tax purposes within the meaning of Section 708(b) (1) (B) of the Code, then adjustments shall be made to the Members' Capital Accounts in the following manner: all property and securities of the Company which are not sold in connection with such event shall be valued at their then fair market value; such fair market value shall be used to determine both the amount of gain or loss which would have been recognized by the Company if the property and securities had been sold for its fair market value (subject to any debt secured by the property and securities) at such time, and the amount of Income, which would have been distributable by the Company pursuant to Article 9 if the property and securities had been sold at such time for said fair market value, less the amount of any debt secured by the property; the Capital Accounts of the Members shall be adjusted to reflect the deemed allocation of such hypothetical gain or loss in accordance with Article 10; and the Capital Accounts of the Members (or of a transferee of a Member) shall

thereafter be adjusted to reflect "book items" and not "tax items" in accordance with Treasury Regulation Sections 1.704-1 (b) (2) (iv) (g) and 1.704-1 (b) (4) (I).

(d) For purposes of this Article 6, (I) the term "liquidation of the Company" shall mean (A) a termination of the Company effected in accordance with this Operating Agreement, which shall be deemed to occur, for purposes of Article 6, on the date upon which the Company ceases to be a going concern and is continued in existence solely to wind-up its affairs, or (B) a termination of the Company pursuant to Section 708(b)(1) of the Code; and (ii) the term "liquidation of a Member's interest in the Company" shall mean the termination of the Member's entire interest in the Company effected by a distribution, or a series of distributions, by the Company to the Member.

ARTICLE 7
ADDITIONAL CAPITAL CONTRIBUTIONS

7.1 No Member shall be obligated to make additional capital contributions to the Company. If the Manager, with the concurrence of Members holding a majority in interest of the Company, shall determine there shall be a Required Amount for any Company purpose, including, without limitation, those purposes set forth in Article 5, then within fifteen (15) days of notice of such requirement, each Member may, but shall not be obligated to, contribute to the Company his Additional Contribution.

7.2 If a Member fails to make his Additional Contribution, in whole or in part, as required in Section 7.1 above (the "Noncontributing Member"), then, so long as any other Member shall make his Additional Contribution as provided herein (each such Member making his Additional Contribution being hereinafter referred to as "Contributing Member"), any Contributing Member shall have the option (a) with the consent of a majority in interest of the Contributing Members (I) to make a capital contribution equal to the Additional Contribution not made by the Noncontributing Member or (ii) to make a Default Loan equal to the Additional Contribution not made by the Noncontributing Member or (b) with the unanimous written consent of each Contributing Member, to declare the Company terminated as a result of the Noncontributing Member's default. In the event that more than one Contributing Member desires to make an Additional Contribution, or is permitted to make a Default Loan, on account of the Noncontributing Member, each such Contributing Member shall be permitted to participate in proportion to their respective Interests. All loans made pursuant to this Section 7.2 shall bear interest at the Default Rate.

7.3 Upon the making of a capital contribution to the Company pursuant to Section 7.2, the Interest of the Noncontributing Member and the Contributing Members shall be adjusted as follows: (a) the Noncontributing Member's Interest shall be decreased (but not below zero) by subtracting therefrom an amount equal to the percentage equivalent of the quotient of (I) the Additional Contribution not made by the Noncontributing Member giving rise to application of this Section 7.3 multiplied by (A) 200% upon the first failure of the Noncontributing

Member to make an Additional Contribution, (B) 300% upon the second such failure and (C) 400% upon the third such failure, divided by (ii) the aggregate amount of all Capital Contributions made by the Members (including the Additional Contributions received by the Company), and (b) the Contributing Members' Interest shall be increased by adding thereto an amount equal to the percentage by which the Noncontributing Member's Interest was decreased pursuant to clause (a) above. Upon the fourth and each subsequent failure of the Noncontributing Member to make an Additional Contribution giving rise to the application of this Section 7.3, a majority-in-interest of the Contributing Members shall have the option, exercisable in their sole discretion, to cause the remaining Interest of the Noncontributing Member to be forfeited and allocated to the Contributing Members or to continue re-allocating the Interests of the Noncontributing Member and Contributing Members as provided in the preceding sentence except that the percentage multiple set forth in clause (I) (c) shall be increased 100% for each failure of the Noncontributing Member to make an Additional Contribution. An example of the operation of this Section 7.3 with respect to a re-allocation of Interests upon the first failure of a Noncontributing Member to make an Additional Contribution, is set forth in Schedule B attached hereto.

7.4 The obligations of the Members contained in this Section 7 are personal and run only to the benefit of the Company and the Members and may not be enforced by any third parties. No creditor of the Company may rely on the foregoing provisions of this Article 7 or any other provision of this Operating Agreement to make any contributions or returns to the Company, notwithstanding any agreement, representation, intention, indication or otherwise to the contrary.

ARTICLE 8
CASH DISTRIBUTIONS

8.1 The Company shall distribute Income to the Members at such times as the Company shall determine (but not less often than quarterly), in the following order of priority:

(a) first, to any Member who made a Default Loan, to the payment of accrued and unpaid interest, and the then outstanding principal balance of, any Default Loan, such distribution to be in proportion to the aggregate amount of interest, and the principal, owed. If more than one Member participates in the making of a Default Loan, then distributions to such Members on account of this Section 8.1(a) shall be made in proportion to the amounts so loaned. If there shall be more than one instance in which a Default Loan has been made, then Default Loans shall be repaid in the order in which they shall have been outstanding the longest;

(b) second, to the Members in an amount equal to and in proportion to their Unrecovered Additional Contributions;

(c) next, to the Members in an amount sufficient to give them a ten percent (10%) return compounded annually on the aggregate of their Capital Contributions and Additional Contributions;

(d) next, to Sonia Seidman and the Manager in an amount sufficient to pay to them, in the aggregate, up to twenty percent (20%) of the net annual profits of the Company for each year calendar that the Company is in existence to be paid 5% to the Manager and 15% to Sonia Seidman; and

(e) the balance, if any, shall be distributed to the Members in proportion to their Interests.

8.2 Notwithstanding Section 8.1, Net Proceeds from a Capital Transaction which constitutes a liquidation of the Company, together with other funds remaining to be distributed, shall be distributed to the Members no later than the later of (a) the end of the taxable year of the Company in which such liquidation occurs; or (b) within ninety (90) days after the date of such liquidation event, after payment of all Company liabilities and expenses (or adequate provision therefor), in accordance with Section 9.1, except that in no event shall (x) a distribution be made to any Member if, after giving effect to such distribution, all liabilities of the Company, other than liabilities to Members on account of their Interests and liabilities for which the recourse of creditors of the Company is limited to specified property of the Company, exceed the fair value of the assets of the Company, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the Company only to the extent that the fair value of the property exceeds that liability and (y) the distribution to a Member exceed the positive balance in such Member's Capital Account after giving effect to all allocations to such Member under Article 9 of Net Profits, Net Losses, and Gain and Loss from Capital Transactions so that liquidation proceeds shall be distributed in accordance with each Member's positive Capital Account balance (within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(b) as in effect on the date hereof). If a members shall receive a distribution that should not have been made based upon the provisions of Section 8.2 (x), the provisions of Section 42:2B-42 (b) of the act shall apply. Section 42:2B-42(c) of the Act shall apply to all distributions made to the Members.

ARTICLE 9
TAX ALLOCATIONS

10.1 Net Profits, Net Losses and any investment tax credit for each fiscal year or part thereof shall be allocated to the Members in proportion to their Interests.

10.2 Gain from a Capital Transaction shall be allocated in the following order:

(a) There shall first be allocated to those Members, if any, who have deficit balances in their Capital Accounts immediately prior to such Capital Transaction an amount of such gain equal to the aggregate amount of such deficit balances, which amount shall be allocated in the same proportion as such deficit balances.

(b) There shall next be allocated to each of the Members gain in proportion to (but not greater than) the amount by which (x) the amount of Net Losses theretofore allocated to each Member and not theretofore taken into account under this Section 9.2(b), exceeds (y) the gain allocated to such Member under Section 9.2(a).

(c) There shall next be allocated to each of the Members gain equal to the amount by which (x) the aggregate proceeds derived from a Capital Transaction distributable to each Member in accordance with the provisions of Section 8.1 or 8.2 other than with respect to Default Loans, as the case may be, exceeds (y) the positive balance, if any, in such Member's Capital Account after such Member's Capital Account has been adjusted to reflect the gain allocated to such Member pursuant to Sections 9.2(a) and 9.2(b); provided, however, that if there shall be an insufficient amount of gain determined by this Section 9.2(c), then the gain shall be allocated to the Members in proportion to the respective amounts determined pursuant to this Section 9.2(c).

(d) Any remaining gain shall be allocated among the Members in proportion to their Interests.

(e) If the Company shall realize, upon a Capital Transaction, gain which is treated as ordinary income under Sections 1245 or 1250 of the Code, such ordinary income shall be allocated to the Members who receive the allocation of the depreciation or cost recovery deduction that generated the ordinary income in the same proportions as such deductions.

(f) Notwithstanding the foregoing, distributions of Income made to a Member for interest and in repayment of the principal on any Default Loan shall not be treated as Income for the purpose of allocating gain pursuant to this Section 9.2 or for any other purpose. Any interest on a Default Loan shall be treated as a "guaranteed payment" for purposes of Section 707(c) of the Code.

10.3 Losses from Capital Transactions shall be allocated in the following order:

(a) There shall first be allocated to those Members, if any, whose positive balances in their Capital Accounts exceed their Unrecovered Additional Contributions, an amount of such loss equal to such excess amount, which amount shall be allocated in the same proportion as such excess amounts.

(b) There shall next be allocated to those Members, if any, that have positive balances in their Capital Accounts, an amount of such loss equal to the aggregate amount of such positive balances, which amount shall be allocated in the same proportion as such positive balances.

(c) The balance of such loss shall be allocated to the Members in proportion to their Percentage Interests.

10.4 Notwithstanding the preceding provisions of this Article 10:

(a) Except as provided in sub-section (e) below, no allocation of loss or deduction shall be made to a Member if such allocation would cause at

the end of any taxable year a deficit in such Member's Adjusted Capital Account to exceed his allocable share of Minimum Gain; and any such loss or deduction not allocated to a Member by reason of this Section 9.4 shall be allocated pro-rata to each other Member if and to the extent that such allocation shall not create a deficit in such other Member's Adjusted Capital Account in excess of his allocable share of Minimum Gain; provided, however, that if such allocation would create such deficit in all Members' Adjusted Capital Accounts in excess of their share of Minimum Gain, then such allocation shall be made in accordance with the principles of Treasury Regulation Section 1.704-1(b).

(b) If, during any taxable year, there is a net decrease in Minimum Gain then, before any other allocations are made for such year, each Member shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to each Member's share of the net decrease in Company Minimum Gain (within the meaning of Treasury Regulation Section 1.704-2(g)(2)) in a manner so as to satisfy the requirements of Treasury Regulation Section 1.704-2(f).

(c) If, during any taxable year, there is a net decrease in Company Minimum Gain Attributable to Member to Member Nonrecourse Debt, then, before any other allocations are made for such year other than those pursuant to Section 9.4(b) above, each Member with a share of the Company Minimum Gain Attributable to Member Nonrecourse Debt at the beginning of the year shall be allocated items of Company income and gain for such year (and, if necessary, for subsequent years) in an amount equal to each Member's share of the net decrease in Minimum Gain Attributable to Member Nonrecourse Debt as determined in accordance with Treasury Regulation Section 1.704-2(I)(4) in a manner so as to satisfy the requirements of said Treasury Regulation.

(d) If during any taxable year a Member unexpectedly receives (I) a distribution of cash or property from the Company or (ii) an adjustment or allocation described in either Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4) as in effect on the date hereof (concerning depletion allowances with respect to oil and gas properties) or Treasury Regulation Section 1.704-1 (b) (2) (ii) (d) (5) as in effect on the date hereof (concerning

allocations of loss and deduction in interests change during the year, if an interest is acquired by gift or if a Member receives certain Company property in

redemption of part or all his interest), and if such adjustment, allocation or distribution would cause at the end of the taxable year a deficit balance in such Member's adjusted capital account in excess of his allocable share of Minimum Gain, then a pro-rata portion of each item of Company income, including gross income, and gain for such taxable year (and, if necessary, subsequent taxable years) shall be allocated to such Member in an amount and in a manner sufficient to eliminate such excess balance as quickly as possible before any other allocation is made for such year other than pursuant to Section 9.4(b) above so as to satisfy the requirements of Treasury Regulation Section 1.704-1(b) (2) (ii) (d) (qualified income offset).

(e) To the extent required by Treasury Regulation Section 1.704-2(I) (1), Member Nonrecourse Debt Deductions for any taxable year shall be allocated to the Member (or Members) who bear(s) the economic risk of loss of such Member Nonrecourse Debt.

(f) In the event that any allocation is or has been made to a Member pursuant to Sections 9.4(a), (b), (c), (d) or (e) above, subsequent items of income, deduction, gain and loss shall be allocated before any other allocations are made (subject to the provisions of said Sections) to the Members in the manner which would result in each Member having a Capital Account balance equal to what it would have been had the allocation pursuant to said Sections.

(g) Upon the occurrence of an event described in Section 6.4(c), all Company property shall be revalued on the Company's books at fair market value, Capital Accounts will be adjusted in accordance with Section 6.4 (c), and subsequent allocations of taxable income, gain, loss and deductions shall, solely for tax purposes, be made necessary so as to take account of the variation between the adjusted tax basis and the fair market value of such property in accordance with Section 704 of the Code and the Treasury Regulations thereunder.

(h) For the purposes of this Article, each Member's "Adjusted Capital Account" shall equal the Capital Account of each Member (1) reduced at the end of each taxable year by the sum of (x) the excess of distributions reasonable expected to be made to such Member over the offsetting increases to such Member's Capital Account reasonably expected to be made in the same taxable year as the aforesaid distributions, (y) adjustments expected to be made to such

Member's Capital Account described in Treasury Regulation Section 1.704-1(b) (2) (ii) (d) (4) as in effect on the date hereof (concerning depletion allowances with respect to oil and gas properties), and (z) allocations expected to be made

described in Treasury Regulation Section 1.704-1 (b) (2) (ii) (d) (5) as in effect on the date hereof (concerning allocations of loss and deduction if Interests change during the year, if an Interest is acquired by gift or if a Member receives certain Company property in redemption of part or all of his Interest in the Company), and (2) increased by the sum of (I) the amount, if any, which the Member is obligated to restore the Company upon liquidation of his Interest if a deficit balance exists in his Capital Account at such time, (ii) the outstanding principal balance of any promissory note made by such Member and contributed to the company if such note is not readily tradable on an established securities market and if such note must be satisfied within ninety (90) days after the date said Member's Interest is liquidated and (iii) the sum of (a) the amount the Member would be personally liable for either as a Member or in his individual capacity as a guarantor or otherwise, and (b) the economic risk of loss the Member would bear attributable to any Company liability (as determined in accordance with Treasury Regulation Section 1.752-2).

(I) In accordance with Section 704(b) and (c) of the Code and Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company (including all or part of any deemed capital contribution under Section 708 of the Code) shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company and its agreed value. In the event that Capital Accounts are ever adjusted pursuant to Treasury Regulation Section 1.704-1(b) (2) to reflect the fair market value of any Company property, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset and its value as adjusted in the same manner as required under Section 704(c) of the Code and the Regulations thereunder.

(j) The allocations provided in this Section 10.4 are intended to comply with the provisions of Section 704(b) of the Code and the regulations thereunder. However, if any such allocation causes a distortion in the Members' Interest in contravention of the Members' economic arrangement as reflected in

Article 6, the Company has the authority to make curative allocations to bring such allocations in accordance with such Member's Interest, as if such allocations which caused the distortion had not occurred and to bring such allocations in compliance with Section 794(b) of the Code and regulations thereunder.

ARTICLE 10
RIGHTS, POWERS AND REPRESENTATIONS OF THE MEMBERS

10.1 All decisions, consents, authorizations and rights in connection with the business and affairs the company shall be carried on and managed by a majority in interest of the Members, who shall have full, exclusive and complete discretion with respect thereto. Any Member or person acting pursuant to any authority granted to him in writing by a majority in interest of the Members shall have all necessary and appropriate powers to carry out the authority so

granted, and no other Member or person without such authority so granted shall have the right to take any action or give any consent, by affirmative act or acquiescence, to any matter or thing, affecting the Company. In furtherance of the foregoing, any Member or person so authorized as provided above may:

(a) negotiate, execute, deliver and perform on behalf of, and in the name of, the Company any and all contracts, deeds, assignments, deeds of trust, leases, subleases, promissory notes and other evidences of indebtedness, mortgages, bills of sale, financing statements, security agreements, easements, stock powers, and any and all other instruments necessary or incidental to the business of the Company and the financing thereof,

(b) borrow money, without limit as to amount, and to secure the payment thereof by mortgage, pledge, or assignment of, or security interest in, all or any part of the assets then owned or thereafter acquired by the Company,

(c) effectuate the purpose of the Company as provided in Article 5 hereof,

(d) establish, maintain and draw upon checking and other accounts of the Company,

(e) execute any notifications, statements, reports, returns or other filings that are necessary or desirable to be filed with any state or Federal agency, commission or authority,

(f) enter into contracts in connection with the business of the Company,

(g) arrange for facsimile signatures for the Members in executing and all documents, papers, checks or other writings or legal instruments which may be necessary or desirable in the Company business, and

(h) execute, acknowledge and deliver any and all contracts, documents and instruments deemed appropriate to carry out any of the foregoing purposes and intent of this Operating Agreement.

10.2 In the management of the Company, and with respect to any and all decisions with respect to the Company and its business and the conduct of its operations, the Members of the Company shall have a cumulative total of one hundred (100) votes, and each Member shall have the number of votes equal to his/her/its Interest. Wherever and whenever the word "majority" appears in this Operating Agreement, either as a noun or as an adjective, it shall mean for all purposes that number of Members whose votes when considered or added together constitute more than fifty (50) of the total one hundred (100) votes of all the Members. Any act or decision of any of the Members may be confirmed, overruled or precluded by the majority of the Members.

10.3 Each of the Members, on their own behalf and on behalf of anyone who shall represent their Interests, hereby waives notice of the time, place or purpose of any meeting at which any matter is to be voted on by the Members or anyone acting by or for them, waives any requirement that there be such a meeting and agrees that any action may be taken by consent without a meeting.

10.4 The fact that the Members are directly or indirectly interested in or connected with any person, firm or corporation employed by the Company to render or perform a service, or from which or whom the Company may buy merchandise, material or other property shall not prohibit the Company from employing such persons, firms or corporations, or from otherwise dealing with him under such reasonable terms and conditions as the Company may determine.

ARTICLE 11
MANAGER

11.1 Notwithstanding any provision contained in Article 10 to the contrary, the daily affairs of the Company shall be conducted by the Manager who shall have the power and authority to make ordinary and usual decisions concerning the business and affairs of the Company. The Manager shall have the power and authority, on behalf of the Company, to do the following:

(a) open one or more depository accounts and make deposits into and checks and withdrawals against such accounts;

(b) invest the capital resources of the Company, in amounts not to exceed one hundred and twenty-five percent (125%) of the capital of the Company without the prior consent of a majority in interest of the Members, in stocks, bonds and other securities of publicly traded companies (collectively "Permitted Investments"), including the ability to buy, sell, exchange, swap or transfer such securities;

(c) open one or more cash or margin brokerage accounts in

(d) obtain insurance covering the business and affairs of the Company;

(e) commence, prosecute or defend any proceeding in the Company's name; and

(f) enter into any and all agreements and execute any and all contracts, documents and instruments necessary or required to effectuate the foregoing.

11.2 Notwithstanding any provision contained in this Operating Agreement to the contrary, it is specifically agreed between the Members that the Company shall make no investment in Cali Realty Corporation without the unanimous prior consent of all Members.

11.3 (a) The Manager shall perform and discharge his duties as a manager in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner he reasonably believes to be in the best interests of the Company. The Manager shall not be liable for any monetary damages to the Company for any breach of such duties except for: receipt of a financial benefit to which the Manager is not entitled; voting for or assenting to a distribution to Members in violation of this Operating Agreement or the Act; a knowing violation of the law; fraud; or a willful breach of fiduciary obligations owed to the Members.

(b) The Manager shall devote a significant amount of his time and efforts to furthering the business and investments of the Company and any other corporations and partnerships formed to invest in the stock in private and public companies or real estate assets and mortgages. The Manager shall also be permitted to perform consulting and legal services for Environmental Waste Management Associates, Inc., its principal shareholders, Richard Greenberg, and for Glenn Woo and other real estate related clients. The Manager shall not receive a salary or other compensation from the Company for performing his duties under this Agreement..

(c) The Manager may be removed or replaced at any time by a majority in interest of the Members.

11.4 Unless otherwise provided by law or expressly assumed, a person who is a Member or manager, or both, shall not be liable for the acts, debts or liabilities of the Company.

11.5 The Company shall indemnify the Manager and each Member and may indemnify any employee or agent of the Company who was or is a party or is threatened to be made a party to threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal, other than action by or in the right of the Company,

by reason of the fact that such person is or was a manager, employee or agent of the Company against expenses, including attorneys fees, judgements, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the action, suit or proceeding, if the person acted in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner that such person reasonably believed to be in the best interests of the Company and with respect to a criminal action or proceeding, if such person had no reasonable cause to believe such person's conduct was unlawful. To the extent that a Member, employee or agent of the Company has been successful on the merits or otherwise

in defense of an action, suit or proceeding or in defense of any claim, issue or other matter in the action, suit or proceeding, such person shall be indemnified against actual and reasonable expenses, including attorneys fees incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided herein. Any indemnification permitted under this Article, unless ordered by a court, shall be made by the Company only as authorized in the specific case upon a determination that the indemnification is proper under the circumstances because the person to be indemnified has met the applicable standard of conduct and upon an evaluation of the reasonableness of expenses and amount paid in settlement. This determination and evaluation shall be made by a majority vote of the Members who are not parties or threatened to be made parties to the action, suit or proceeding. Notwithstanding the foregoing to the contrary, no indemnification shall be provided to the Manager or any Member, employee or agent of the Company for or in connection with the receipt of a financial benefit to which such person is not entitled, voting for or assenting to a distribution to Members in violation of this Operating Agreement of the Act, or a knowing violation of law.

ARTICLE 12
BOOKS, RECORDS AND REPORTS

12.1 At all times during the continuance of the Company, the Company shall keep or cause to be kept full and true books of account, in which shall be entered fully and accurately each transaction of the Company. The books of account, together with an executed copy of the Certificate of Formation of the Company and any amendments thereto, shall at all times be maintained at the

principal office of the Company and shall be open to inspection and examination by the members or their representatives at reasonable hours and upon reasonable notice. For purpose hereof, the Company shall keep its books and records on the same method of accounting employed for tax purposes.

12.2 The fiscal year of the Company shall be the calendar year. Within a reasonable time after the end of each fiscal year and in any event on or before thirty (30) days prior to the filing date for individual tax returns (including extensions), the accountants for the Company shall deliver to each Member (a) upon request of a Member, an annual statement of the Company's accountants, and (b) a report or a tax return setting forth such Member's share of the Company's profit or loss for such year and such Member's allocable share of all items of income, gain, loss, deduction and credit for Federal income tax purposes.

12.3 The Company shall also cause to be prepared and filed all Federal, state and local tax returns required of the Company. All books, records, balance sheets, statements, reports and tax returns required pursuant to Section 12.1 and 12.2 hereof shall be prepared at the expense of the Company.

ARTICLE 13

BANK ACCOUNTS

13.1 All funds and income of the Company (a) shall be deposited in the name of the Company in such bank account or accounts as shall be designated by the Manager, (b) shall be invested in such Permitted Investments as Manager shall determine and (C) shall be kept separate and apart from the funds of any other individual or entity.

13.2 Withdrawals from any such bank account or accounts shall be made upon the signature of any person so designated by the Company in writing.

ARTICLE 14
RIGHTS AND DUTIES OF MEMBERS

14.1 Subject to duties and obligations of the Manager, it is expressly understood that each Member may engage in any other business or investment, whether or not in direct competition with the business of the Company, and neither the Company nor any other Member shall have any rights in and to said businesses or investments, or the income or profits derived therefrom.

14.2 The Manager may employ, on behalf of the Company, such persons, firms or corporations, including those firms or corporations in which any Member has an interest, and on such terms as the Manager shall deem advisable in the operation and management of the business of the Company, including, without limitation, such accountants, attorneys, architects, engineers, contractors, appraisers and experts.

14.3 No Member shall be personally liable to the Company or any of the other Members for any act or omission performed or omitted by him/her/it, except if such act or omission was attributable to willful misconduct or gross negligence.

14.4 Each Member (and each former Member) shall be indemnified and saved harmless by the Company from any loss, damage or expense incurred by him by reason of any act or omission performed or omitted by him, except if such act or omission was attributable to willful misconduct or gross negligence.

ARTICLE 15
TAX MATTERS

15.1 (a) Notwithstanding any provisions hereof to the contrary, each of the Members hereby recognizes that the Company will be a partnership for United States federal income tax purposes and that the Company will be subject to all provisions of Subchapter K of Chapter 1 of Subtitle A of the Code; provided, however, that the filing of U.S. Partnership Returns of Income shall not be construed to extend the purposes of the company or expand the obligations or liabilities of the Members. At the request of any Member, the Company shall file

an election under Section 754 of the Code.

(b) The Company shall engage an accountant (the "Accountant") to prepare at the expense of the company all tax returns and statements, if any,

which must be filed on behalf of the Company regarding the Premises and the operation, dissolution and liquidation of the Company with any taxing authority.

(c) Lawrence Seidman is designated Tax Matters Member (herein "TMM") for purposes of Chapter 63 of the Code and the Members will take such actions as may be necessary, appropriate, or convenient to effect the designation of Lawrence Seidman as TMM. The TMM shall attempt to comply with the responsibilities outlined in this Section 15.1 and in Sections 6222 through 6231 of the Code (including any Treasury Regulations promulgated thereunder).

ARTICLE 16
BANKRUPTCY OF A MEMBER

16.1 Unless a majority in interest of the Members shall elect otherwise, a Member shall cease to be a Member of the Company:

(a) if he/she/it:

(I) Makes an assignment for the benefit of creditors;

(ii) Files a voluntary petition in bankruptcy;

(iii) Is adjudged bankrupt or insolvent, or has entered against him/her/it an order for relief, in any bankruptcy or indolvency proceeding;

(iv) Files a petition or answer seeking for himself/herself/itself any reorganization, arrangement, composition, readjustment,liquidation, dissolutionor similar relief under any statute, law or regulation;

(v) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him/her/it in any proceeding of this nature; or

(vi) Seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of his/her/its properties; or

(b) One hundred twenty (120) days after the commencement of any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or within ninety (90) days after the appointment without his consent or acquiescence of a trustee, receiver or liquidator of the Member or of all or any substantial part of his/her properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

ARTICLE 17
ASSIGNABILITY, TRANSFER OR PLEDGE OF INTERESTS; RESIGNATION OF MEMBER

17.1 (a) No Member shall have the right to assign, convey, sell or otherwise transfer or dispose of, or pledge, mortgage, hypothecate or otherwise encumber his/her/its Interest, whether record or beneficial interest thereof, without the prior written consent of the Company. Notwithstanding the preceding sentence, but subject to the restrictions on transferability required by law, or set forth in any instrument or agreement by which the Company may be bound, or which may be contained in this Operating Agreement, an individual Member, if any, may, without any consent, assign, convey, sell or otherwise transfer or dispose of all or any portion of his interest in the Company to any one or more of the members of his/her immediate family or families (defined for the purposes of this Operating Agreement as a mother, father, sister, brother, son, daughter, stepson, stepdaughter or spouse (in each instance whether by marriage or otherwise)) and/or a trust or other entity for the benefit thereof or themselves, by a written instrument of assignment and assumption, provided that the instrument of transfer provides for the assumption of the assignor's liabilities and obligations hereunder and has been duly executed by the assignor of such interest and by the transferee. The Member shall notify the Company of any assignment, transfer or disposition of a beneficial interest in any interest of the Member which occurs without a transfer of record ownership, although such notification, or the absence of a response thereto, shall not be deemed a consent thereof.

(b) An assignee or transferee of any portion of the interest of the Member shall be entitled to receive allocations and distributions attributable to the interest acquired by reason of such assignment from and after the effective date of the assignment of such interest to such assignee; however. anything herein to the contrary notwithstanding, the Company shall be entitled to treat the assignor of such interest of the Member as the absolute owner thereof in all respects, and shall incur no liability for allocations of net income, net losses, or gain or loss on sale of Company property, or transmittal of reports and notices required to be given to Members hereunder

which are made in good faith to such assignor until such time as the written assignment has been received by the Company, approved and recorded on its books and the effective date of the assignment has passed. Provided that the Company has actual notice of any assignment of the interest of the Member, the effective date of such assignment on which the assignee shall be deemed an assignee of record shall be the date set forth on the written instrument of assignment.

(c) Any assignment, sale, exchange, transfer or other disposition in contravention of any of the provisions of this Article 17 and Article 18 hereof shall be void and ineffective and shall not bind or be recognized by the Company.

(d) In the event that there shall be more than one assignee, transferee, representative or other successor in interest as permitted herein (collectively, the "Transferees") and the Member as of the date of this Operating Agreement shall remain a Member, then the Member shall be authorized to act, and shall so act, on behalf of the Member and all of the Transferees acting as such by, through or under the Member. In the event that there shall be more than one Transferee, and the Member as of the date of this Operating Agreement shall no longer be a Member, then the Company must be advised by the Member whose interest is the subject of such event or failing which by a two-thirds (2/3) majority in interest of those holding any portion of the interests of the Member, of one person to act on behalf of all the Transferees. The Member, if the first sentence of this paragraph shall be applicable, or the person so noted to the Company, if the second sentence of this paragraph shall be applicable, shall be authorized to act, and shall so act, for all of the Transferees, all of whom shall be bound by any decision or action taken by such person, and the Company, the Company and all of the other Members, shall be

entitled to rely on the decisions or actions taken by such person. Until the Company shall be advised as to the identity of such person, (I) the Transferees shall be entitled only to distributions and tax allocations as provided in Article 8 and 9 hereof, but shall have no right, power or authority with respect to any decision making reserved herein to the Members or any of them and (ii) wherever in this Operating Agreement provision shall be made for the Members to make decisions with respect to Company matters, the interests of the Member, as transferred to the Transferees, shall not be included in determining whether the requisite interest of members have consented to or approved of such decision.

17.2 Without the prior written consent of all Members and other than as provided in Section 6.1(b) above, a Member may not resign from the Company prior to the dissolution and winding up of the Company.

ARTICLE 18
ADMISSION OF SUBSTITUTED MEMBERS; DEATH OR INCAPACITY; FURTHER CONDITIONS

18.1 No assignment or transfer of all or any part of the interest of a Member permitted to be made under this Operating Agreement shall be binding upon

the Company unless and until a duplicate original of such assignment or instrument of transfer, duly executed and acknowledged by the assignor and the transferee, has been delivered to the Company.

18.2 As a condition to the admission of any substituted Member, as provided in Article 17 hereof, the person so to be admitted shall execute and acknowledge such instruments, in form and substance reasonably satisfactory to the Company, as a majority in interest of the Members may deem necessary or desirable to effectuate such admission and to confirm the agreement of the person to be admitted as a Member to be bound by all of the covenants, terms and conditions of this Operating Agreement, as the same may have been amended.

18.3 Any person to be admitted as a member pursuant to the provisions of this Operating Agreement shall, as a condition to such admission as a Member, pay all reasonable expenses in connection with such admission as a Member, including, but not limited to, the cost of the preparation, filing and publication of any amendment to this Operating Agreement and/or Certificate of Formation.

18.4 In the event of the death or adjudication of incompetency of a Member, or upon the happening of any event described in Article 16, the executor, administrator, committee or other legal representative of such Member, or the successor in interest of such Member, shall succeed only to be right of such Member to receive allocations and distributions hereunder, and may be admitted to the Company as a Member in the place and stead of the deceases, incompetent, or bankrupt Member in accordance with this Article 18, but shall not be deemed to be a substituted Member unless so admitted. Such event, however, shall cause a termination or dissolution of the Company within one hundred twenty (120) days of such event unless a majority in interest of the Members shall elect to continue the Company within said one hundred twenty (120) day period.

18.5 Notwithstanding anything to the contrary contained in this Operating Agreement, no sale or exchange of an interest in the Company may be made if the interest sought to be sold or exchanged, when added to the total of all other interests sold or exchanged within the period of twelve (12) consecutive months prior thereto, results in the termination of the Company under Section 708 of the Code without the prior written consent of a majority in interest of the Members.

18.6 In the event of a permitted transfer of all or part of the interest of a Member, the Company shall, if requested, file an election in accordance with Section 754 of the Code or a similar provision enacted in lieu thereof, to adjust the basis of the Property of the Company. The Member requesting said election shall pay all costs and expenses incurred by the Company in connection therewith.

ARTICLE 19
LIQUIDATION

19.1 Upon the dissolution of the Company, the Company shall be liquidated and its assets distributed as required by Section 42:2B-51 of the Act.

19.2 The assets of the Company shall be liquidated as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice.

19.3 In the event that any proceeds are to be distributed to the Members same shall be distributed, if practicable, no later than the later of (I) the end of the taxable year of the Company in which such liquidation occurs; or (ii) within ninety (90) days after the date of such liquidation event.

19.4 In any liquidation, the Company's assets shall be used first to pay the costs and expenses of the dissolution and liquidation. The liquidation trustee (which may be a Member) shall be entitled to establish reserves to provide for any contingent or unforeseen liabilities or obligations of the Company.

19.5 With respect to distributions to Members, said distributions shall be made:

(a) first, to the repayment of any accrued and unpaid interest on, and the then outstanding principal balance of, any Default Loan, in proportion to the aggregate amount of interest, and then principal, owed, and if more than one Member shall have made a Default Loan, then in proportion to the amounts so loaned. If there shall be more than one instance in which a Default loan has been made, the Default loans shall be repaid in the order in which they shall have been outstanding the longest;

(b) second, to the payment of an obligation owed pursuant to Section 11.3 (c).

(c) third, to all Members in proportion to and to the extent of any remaining positive balances in such Member's Capital Account after giving effect to all locations to such Member under Article 10 of this Operating Agreement so that liquidation proceeds shall be distributed in accordancewith each Member's positive Capital Account balance (within the meaning of Treasury Regulation Section 1.704-1(b) (2) (ii) (b) as in effect on the date hereof); and

(d) last, to all Members pro rata in accordance with thei Company Interests.

ARTICLE 20

GENDER

20.1 All terms and words used in this Operating Agreement, regardless of the sense or gender in which they are used, shall be deemed to include each other sense and gender unless the context requires otherwise.

ARTICLE 21
FURTHER ASSURANCES

21.1 The Members agree immediately and from time to time to execute, acknowledge, deliver, file, record and publish such further certificates, amendments to certificates, instruments and documents, and to do all such other acts and things as may be required by law, or as may, in the opinion of a majority in interest of the Members, be necessary or advisable to carry out the intent and purposes of this Operating Agreement.

ARTICLE 22
COVENANT AGAINST PARTITION

22.1 The Members, on behalf of themselves, their legal representatives, heirs, successors and assigns, hereby specifically renounce, waive and forfeit all rights whether arising under contract, statute, or by operation of law, to seek, bring, or maintain any action for partition in any court of law or equity pertaining to any real property which the Company may now or in the future own, regardless of the manner in which title to any such property may be held.

ARTICLE 23
NOTICES

23.1 Unless otherwise specified in this Operating Agreement, all notices, demands, requests or other communications which any of the parties to this Operating Agreement may desire or be required to give hereunder (hereinafter referred to collectively as "Notices") shall be in writing and shall be given by mailing the same by postage prepaid certified or registered mail, return receipt requested, or by nationally recognized overnight courier to the appropriate Member at the address set forth in this Operating Agreement. Notices given in compliance with the provisions of this Article shall be deemed given one (1) business day after delivery to a nationally recognized overnight courier or four (4) business days after mailing in a repository of the United States Postal Service.

ARTICLE 24
APPLICABLE LAW

24.1 The parties agree that the parties shall be governed by, and this Operating Agreement construed in accordance with, the laws of the State of New

Jersey applicable to agreements made and to be performed in such state and that all claims and suits shall be heard in the courts located in the State of New Jersey.

ARTICLE 25
CAPTIONS

25.1 All section titles or captions contained in this Operating Agreement are for convenience only and shall not be deemed a part of this Operating Agreement.

ARTICLE 26
COUNTERPARTS

26.1 This Operating Agreement may be executed in counterparts and each counterpart so executed by each Member shall constitute and original, all of which when taken together shall constitute one agreement, notwithstanding that all the parties are not signatories to the same counterpart.

ARTICLE 27
BINDING EFFECT

27.1 This Operating Agreement may not be changed, modified, waived or discharged, in whole or in part, unless in writing and signed by all of the Members. This Operating Agreement shall be binding upon the Members and their respective executors, administrators, legal representatives, heirs, successor and assigns. The singular of any defined term or term used herein shall be deemed to include the plural.

ARTICLE 28
PARTIAL INVALIDITY

28.1 If any term or provision of this Operating Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Operating Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this Operating Agreement shall be valid and enforced to the fullest extent permitted by law.

ARTICLE 29
INTEGRATION

29.1 This Operating Agreement is the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements relative to such subject matter.

/s/SONIA SEIDMAN

SEIDCAL ASSOCIATES, L.L.C.

By:
/s/Brant B. Cali, Member

SCHEDULE A
REQUIRED CONTRIBUTIONS

SONIA SEIDMAN	$150,000
SEIDCAL ASSOCIATES, L.L.C.	$450,000

SCHEDULE B

	PERCENTAGE INTEREST
Sonia Seidman:	25%
Seidcal Associates, L.L.C.:	75%
Total	100%

SCHEDULE B

EXAMPLE OF THE OPERATION OF SECTION 7.3

Assume the following facts:

(a) The interests are as follows:

A	10%
B	30%
C	60%

(b) The aggregate capital contributions made by the Members in proportion to their respective Company Interests is $2,000,000.

(c) The Company requires additional funds of $1,000,000.

(d) A and B each contribute their Additional Contributions to the Company ($100,000 and $300,000, respectively) and C fails to contribute his Additional Contribution ($600,000).

(e) B contributes C's Additional Contribution to Company.

The amount that C's Interest is decreased and the amount that B's Interest is increased is computed as follows:

(I) Multiply the amount of the contribution not made by C ($600,000) by 200% resulting in a product of $1,200,000;

(ii) Divide the result of (I) above ($1,200,000) by the aggregate amount of all capital contributions made by the Members ($3,000,000), resulting in a product of .40;

(iii) Convert the product arrived at in computation (ii) above (.40) to a percentage (by multiplying the same by 100) resulting in 40%. Subtract such percentage from the Company Interest of C (40%) resulting in a new Interest for C of 20%; and

(iv) Increase the Interest of B (30%) by adding thereto the same Percentage that was subtracted from Member C (40%) resulting in a new Interest for B of 70%.

Exhibit D

LAWRENCE B. SEIDMAN, ESQ.
Lanidex Center
100 Misty Lane
P. O. Box 5430
Parsippany, NJ 07054
June 6, 1996

Mr. Jeffrey Greenberg
Heritage Management
P. O. Box 627
50 W. Ridgewood Avenue
Ridgewood, New Jersey 07451

Dear Mr. Greenberg:

The following are the terms and conditions in reference to the investment account for the purchase of stock in public companies:

1. A margin brokerage account will be opened at Bear Stearns through The Benchmark company, Inc.
in the name of Jeffrey Greenberg.

2. The account will be a discretionary account with Larry Seidman having the Power of attorney to buy and sell stock in said account provided all funds deposited into the account are for Jeffrey Greenberg and all stock purchased in the account is in the name of Jeffrey Greenberg.

3. The account will be funded with a minimum of $50,000.

4. Jeffrey Greenberg shall have the right to terminate the relationship anytime after June 15,
1998.

5. Upon such termination, my discretion shall be terminated automatically.

6. My compensation shall be 1/4 of 1% of the value of the assets in the account computed as of the last day of each calendar quarter. An incentive fee will be paid me equal to 20% of the net profits earned in the account as of the termination date whether same shall be the above termination date or later if agreed to between the parties. 100% of all funds shall go to Jeffrey Greenberg until 100% of the capital is returned, and then the division shall be 80% to Jeffrey Greenberg and 20% to Larry Seidman.

7. I shall have the sole right to vote the shares in the account until termination of my Power of Attorney.

8. In the event any portion of this agreement is not in compliance with law, then Jeffrey Greenberg shall have the sole right to terminate this letter, and an accounting shall be done based upon the above quoted administrative fee and profit participation to the date of the termination.

Very truly yours,

/s/ LAWRENCE B. SEIDMAN

AGREED AND ACCEPTED:

/s/Jeffrey Greenberg

LAWRENCE B. SEIDMAN, ESQ.
Lanidex Center
100 Misty Lane
P. O. Box 5430
Parsippany, NJ 07054
June 6, 1996

Mr. Steven Greenberg
Heritage Management
P. O. Box 627
50 W. Ridgewood Avenue
Ridgewood, New Jersey 07451

Dear Mr. Greenberg:

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1. A margin brokerage account will be opened at Bear Stearns through The Benchmark Company, Inc., in the name of Steven Greenberg.

2. The account will be a discretionary account with Larry Seidman having the Power of attorney to buy and sell stock in said account provided all funds deposited into the account are for Steven Greenberg and all stock purchased in the account is in the name of Steven Greenberg.

3. The account will be funded with a minimum of $50,000.

4. Steven Greenberg shall have the right to terminate the relationship anytime after February 1,
1997.

5. Upon such termination, my discretion shall be terminated automatically.

6. My compensation shall be 1/4 of 1% of the value of the assets in the account computed as of the last day of each calendar quarter. An incentive fee will be paid me equal to 20% of the net profits earned in the account as of the termination date whether same shall be the above termination date or later if agreed to between the parties. 100% of all funds shall go to Steven Greenberg until 100% of the capital is returned, and then the division shall be 80% to Steven Greenberg and 20% to Larry Seidman.

7. I shall have the sole right to vote the shares in the account until termination of my Power of Attorney.

8. In the event any portion of this agreement is not in compliance with law, then Steven Greenberg shall have the sole right to terminate this letter, and an accounting shall be done based upon the above quoted administrative fee and profit participation to the date of the termination.

Very truly yours,

/s/ LAWRENCE B. SEIDMAN

AGREED AND ACCEPTED:

/s/Steven Greenberg