

Board of Directors
Richmond County Savings Bank
1214 Castleton Avenue
Staten Island, New York 10310

Board of Directors:

The notice of intent to convert from mutual to stock form filed on behalf of Richmond County Savings Bank, Staten Island, New York ("Bank") has been reviewed by the Federal Deposit Insurance Corporation ("FDIC") pursuant to Section 303.15 of the FDIC Rules and Regulations, 12 C.F.R. 303.15. As described in the notice, the Bank proposes to convert from a New York chartered mutual savings bank to a New York chartered stock savings bank.

The FDIC has relied on information provided in the Bank's notice of conversion and the accompanying business plan in reaching its decision. It is anticipated that any planned material deviations from the business plan, such as a return of capital will be provided to the FDIC in advance of such an event. Based on the information and representations presented, the FDIC plans to issue a letter of non-objection to the proposed conversion transaction provided that the bank satisfies the following conditions:

1. The Bank must execute the enclosed Tolling, Agreement and deliver it to this office on or before January 15, 1998,
2. The Bank must submit final disclosure materials acceptable to the FDIC Division of Supervision, Registration and Disclosure Section;
3. The Bank must provide written evidence that its Plan of Conversion has been approved by the affirmative vote of a majority of the votes eligible to be cast at a special meeting of the Bank's voting participants,
4. Organizers of the Richmond County Savings Foundation ("Foundation") must commit in writing to the following provisions:
 - (a) Common stock of Richmond County Financial Corporation held by the Foundation shall be voted by the Foundation at the same ratio as all other shares voted on each and every proposal considered by the stockholders of Richmond County Financial Corporation,
 - (b) The Foundation shall be subject to examination by the FDIC;
 - (c) The Foundation shall comply with all supervisory directives imposed by the FDIC;
 - (d) The Foundation shall operate in accordance with written policies adopted by the Foundation's Board of Directors, including adopting a conflict of interest policy acceptable to the FDIC; and
 - (e) The Foundation shall provide a proposed operating plan prior to conversion and annual reports thereafter describing grants made and grant recipients;
5. The Bank must advise this office of the results of the subscription offering and

deliver an updated appraisal that:

- (a) Takes the results of the subscription offering into account,
- (b) discuss any material occurrences during the subscription period;
and
- (c) explains any orders that may have been rejected.

6. The Bank must receive final approval from the New York State Banking Department for its establishment as a stock savings bank.

Provided the Bank meets the foreclosure conditions and that the FDIC is satisfied with the appraiser's determination in the updated appraisal that the results of the subscription offering represent fair value for the Bank, the FDIC will issue a letter of nonobjection to the proposed conversion transaction.

Sincerely,

Cary H. Hin^{er}
Associate Director

Enclosure

cc Douglas P. Faucette
Muldoon, Murphy & Faucette
5101 Wisconsin Avenue, NW
Washington, D.C 20016