



Federal Deposit Insurance Corporation
550 17th St. NW Washington DC, 20429

Division of Supervision and Consumer Protection

December 14, 2004

VIA FACSIMILE AND BY CERTIFIED RETURN RECEIPT REQUESTED

Board of Directors
Lincoln Park Savings Bank
31 Boonton Turnpike
Lincoln Park, New Jersey 07035

Dear Members of the Board:

The notice of intent to convert from mutual to stock form filed on behalf of Lincoln Park Savings Bank, Lincoln Park, New Jersey, was reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.160 – 303.163 and other pertinent FDIC regulations. Based on the information provided and representations made, the FDIC poses no objection to the proposed conversion transaction.

Please notify our New York Regional Office in writing when the proposed transaction has been consummated.

Sincerely,

/s/

John M. Lane
Deputy Director

cc: Robert I. Lipsher
Luse Gorman Pomerenk & Schick, P.C.
5335 Wisconsin Avenue, N.W.
Suite 400
Washington, D.C. 20015

FEDERAL DEPOSIT INSURANCE CORPORATION

Lincoln Park Savings and Loan Association
Lincoln Park, New Jersey

Application for Consent to Merge
to facilitate a conversion from a
Mutual Savings Bank to a Stock Savings Bank

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act (FDI Act), an application has been filed on behalf of the Lincoln Park Savings and Loan Association, Lincoln Park, New Jersey, (the Association), currently a New Jersey-chartered mutual savings and loan association and Savings Insurance Fund (SAIF) member with total resources of \$78,776,000 and total deposits of \$58,141,000 as of June 30, 2004, for the FDIC's consent to merge with Lincoln Park Interim Two II, Lincoln Park, New Jersey, a proposed new State of New Jersey-chartered stock savings bank. The New Jersey Department of Banking and Insurance approved the conversion of the Association from a New Jersey-chartered mutual savings and loan association to a New Jersey-chartered mutual savings bank effective October 1, 2004.

The transaction is the result of Mutual Institution's plan of reorganization, which, solely to facilitate such undertaking, provides for:

- The Association will organize an interim New Jersey-chartered stock savings bank as a wholly-owned subsidiary (Interim one);
- Interim one will organize an interim New Jersey-chartered stock savings bank as a wholly-owned, non-operational subsidiary (Lincoln Park Interim Two II or Interim two);
- Interim one will organize a New Jersey-chartered stock corporation, Lincoln Park Bancorp, Lincoln Park, New Jersey, as a wholly-owned subsidiary;
- The Association will amend and restate its articles of incorporation to a New Jersey-chartered stock savings bank (Lincoln Park Savings Bank or the Savings Bank), and Interim one will convert its charter for a Federal mutual holding company charter to become Lincoln Park Bancorp MHC;
- Simultaneously with the above step, Interim two will merge with and into the Lincoln Park Savings Bank, with the Savings Bank becoming the resultant institution. All of the initially issued stock of the resultant institution will be transferred to Lincoln Park Bancorp MHC in exchange for membership interests in mutual holding company;

- Lincoln Park Bancorp MHC will contribute the capital stock of the Savings Bank to Lincoln Park Bancorp, and the Savings Bank will become a wholly-owned subsidiary of Lincoln Park Bancorp; and
- Contemporaneously with the reorganization, Lincoln Park Bancorp will sell a minority interest (46%) of its shares of common stock in a public offering. Lincoln Park Bancorp MHC will retain a majority (54%) of Lincoln Park Bancorp's common stock.

At the conclusion of the reorganization, the deposits of Lincoln Park Savings Bank will continue to be insured under the SAIF. Following consummation of the merger, the Savings Bank will operate the same banking business, with the same management, and at the same locations as the Association. The proposed transaction will not alter the competitive structure of banking in the market served by the Association. The Savings Bank's principal office will continue to be located at 31 Boonton Turnpike, Lincoln Park, New Jersey.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the Association, discloses no inconsistencies with the purposes of the CRA. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the applications, the FDIC has taken into consideration the financial and managerial resources and future prospects of the proponent bank and the resultant bank, the convenience and needs of the community to be served, and the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities. Having found favorably on all statutory factors and having considered other relevant information, including reports on the competitive factors furnished by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, and the Attorney General of the United States, it is the FDIC's judgment that the applications should be and hereby are approved, subject to the following conditions:

1. That the transaction may not be consummated unless the Plan of Mutual Holding Company Reorganization and Stock Issuance receives prior approval by an affirmative vote of at least a majority of the total votes eligible to be cast by the Association's depositors;
2. That the proposed transaction may not be consummated unless and until Lincoln Park Savings Bank has the authority to conduct banking business, and that its establishment and operation as a stock savings bank have been fully approved by appropriate State of New Jersey officials, and its holding companies, Lincoln Park Bancorp and Lincoln Park Bancorp MHC, are

granted approval by the Office of Thrift Supervision to become holding companies for Lincoln Park Savings Bank;

3. That, except for the proposed transfer of stock to Lincoln Park Bancorp no shares of the stock of Lincoln Park Savings Bank shall be sold, transferred or otherwise disposed of, to any person (including any Employee Stock Ownership Plan) unless prior notice is provided to, and non-objection is received from the FDIC;
4. That, prior to the sale, transfer, or other disposition of any shares of Lincoln Park Bancorp by Lincoln Park Bancorp MHC to any person (including any Employee Stock Ownership Plan), or a conversion of the mutual holding company to stock form, Lincoln Park Savings Bank will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with state and federal banking and/or securities regulators in connection with such sale, transfer, disposition, or conversion;
5. That should any shares of Lincoln Park Savings Bank or Lincoln Park Bancorp be issued to persons other than Lincoln Park Bancorp MHC, any dividends waived by Lincoln Park Bancorp MHC, must be retained by Lincoln Park Bancorp or Lincoln Park Savings Bank and segregated, earmarked, or otherwise identified on the books and records of Lincoln Park Bancorp or Lincoln Park Savings Bank; such amounts will be taken into account in any valuation of the institution, and factored into the calculation used in establishing a fair and reasonable basis for exchanging shares in any subsequent conversion of Lincoln Park Bancorp MHC to stock form; and such amounts shall not be available for payment to, or the value thereof transferred to, minority shareholders, by any means, including through dividend payments or at liquidation.
6. That any change in proposed management, including the board of directors or proposed ownership (10 percent or more of the stock and new acquisitions of or subscriptions to 10 percent or more of the stock), will render this approval null and void unless such proposal is approved by the FDIC prior to the consummation of the proposed transaction;
7. That the transaction shall not be consummated within less than fifteen days after the date of this Order, or later than six months after the date of this Order, unless such period is extended for good cause by the FDIC; and
8. That until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

Pursuant to delegated authority.

Dated at Washington, D.C., this 27th day of October, 2004

By: _____ **ISI**

John M. Lane
Deputy Director
Division of Supervision and Consumer Protection