

IN THE MATTER)
HARVEST COMMUNITY BANK)
PENNSVILLE, NEW JERSEY)

STATE OF NEW JERSEY
DEPARTMENT OF
BANKING AND INSURANCE

CONSENT ORDER

TO: HARVEST COMMUNITY BANK

BOARD OF DIRECTORS
HARVEST COMMUNITY BANK

Acknowledged:
Harvest Community Bank, Pennsville, New Jersey

By:

Ernest A. Bickford

Anthony W. Carapella, Jr.

John H. Coombs

Ronald W. Gregory

Grant Harris

Frank J. McEntee

Gordon J. Ostrum, Jr.

David J. Puma

Richard D. Rowland

Lee C. Williams, Jr.

Michael A. Williams

WHEREAS, the Commissioner of Banking and Insurance of the State of New Jersey ("Commissioner") is charged with the responsibility of administering and enforcing the New Jersey Banking Act of 1948, N.J.S.A. 17:9A-1 et seq. ("Act"); and

WHEREAS, Harvest Community Bank ("Bank") is a financial institution chartered by the Commissioner pursuant to the Act; and

WHEREAS, pursuant to N.J.S.A. 17:9A-267 the Commissioner may order a state chartered financial institution to cease and desist any unsafe and unsound banking practices; and

WHEREAS, the Commissioner and the Bank having agreed to enter into this Consent Order pursuant to N.J.S.A. 17:9A-267, and the Bank, without admitting or denying any charges of unsafe and sound banking practices or violations of law or regulation, hereby consents to the following provisions;

NOW THEREFORE, it is on this 20th day of March, 2015, ORDERED AND AGREED that:

BOARD PARTICIPATION

1. (a) The Board shall increase its participation in the affairs of the Bank, assuming full responsibility for the approval of sound policies and objectives and for the supervision of all of the Bank's activities, consistent with the role and expertise commonly expected for directors of banks of comparable size.

(b) This participation shall include meetings to be held no less frequently than monthly at which, at a minimum, the following areas shall be reviewed and approved: reports of income and expenses; new, overdue, renewal, insider, charged off, and recovered loans; investment activity; liquidity levels and funds management; adoption or modification of operating policies; individual committee reports; audit reports; internal control reviews including managements' responses; reconciliation of general ledger accounts; and compliance with this ORDER. Board minutes shall document these reviews and approvals, including the names of any dissenting directors.

(c) The Bank shall notify and the Commissioner and the Regional Director of the New York Regional Office of the FDIC (“Regional Director”) in writing of any resignations or terminations of any members of its Board or any of its “senior executive officers” (as that term is defined in section 303.101(b) of the FDIC’s Rules and Regulations, 12 C.F.R. § 303.101(b)) within 10 days of the event. Any notification required by this subparagraph shall include a description of the background(s) and experience of any proposed replacement personnel and must be received at least 30 days prior to the individual(s) assuming the new position(s). The Bank shall also establish procedures to ensure compliance with section 32 of the Act, 12 U.S.C. § 1831i, and Subpart F of Part 303 of the FDIC’s Rules and Regulations, 12 C.F.R. Part 303.

MANAGEMENT

2. (a) The Bank shall have and retain qualified management. At a minimum, such management shall include: a chief executive officer with the ability to manage a bank of comparable size and complexity; a senior lending officer with an appropriate level of lending, collection, and loan supervision experience for the type and quality of the Bank’s loan portfolio; a credit officer with an appropriate level of credit risk analysis experience, and a chief financial officer with demonstrated ability in all financial areas including, but not limited to, accounting, regulatory reporting, budgeting and planning, management of the investment function, liquidity management, and interest rate risk management. The Board shall provide the necessary written authority to management to implement the provisions of this ORDER.

(b) The qualifications of management shall be assessed on their ability to:

- (i) comply with the requirements of this ORDER;
- (ii) operate the Bank in a safe and sound manner;

(iii) comply with applicable laws, rules, and regulations; and

(iv) restore all aspects of the Bank to a safe and sound condition, including capital adequacy, asset quality, management effectiveness and earnings.

(c) Within 30 days from the effective date of this ORDER, the Bank shall retain a bank consultant who will develop a written analysis and assessment of the Bank's management needs ("Management Report") for the purpose of providing qualified management for the Bank.

(d) The Management Report shall be developed within 90 days from the effective date of this ORDER and shall include, at a minimum:

(i) identification of both the type and number of officer positions needed to properly manage and supervise the affairs of the Bank;

(ii) identification of both the type and number of lending department positions needed to strengthen and properly oversee lending, collection, and loan resolution at the Bank;

(iii) identification and establishment of such Bank committees as are needed to provide guidance and oversight to active management;

(iv) evaluation of all Bank officers and staff members to determine whether these individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including adherence to the Bank's established policies and practices, and restoration and maintenance of the Bank in a safe and sound condition; and

(v) evaluation of all Bank officers' compensation, including salaries, director fees, and other benefits.

(e) Within 30 days from receipt of the Management Report, the Bank shall formulate a written plan ("Management Plan") that incorporates the findings of the Management Report.

(f) At a minimum, the Management Plan shall:

- (i) contain a recitation of the recommendations included in the Management Report, a plan of action to respond to each recommendation, and a time frame for completing each action;
- (ii) establish a plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications to fill those officer or staff member positions identified in the Management Report;
- (iii) include provisions to implement necessary training and development for all employees;
- (iv) establish procedures to periodically review and update the Management Plan, as well as periodically review and assess the performance of each officer and staff member; and
- (v) contain a current management succession plan.

CLASSIFIED ASSETS REDUCTION

3. (a) Within 90 days from the effective date of this ORDER, the Bank shall formulate and submit for review as described in subparagraph (c), a written plan ("Classified Asset Plan") to reduce the Bank's risk position in each asset in excess of \$250,000 which is classified "Substandard" or "Doubtful" in the Report of Examination dated August 11, 2014. Thereafter, the Classified Asset Plan shall be revised to reduce the Bank's risk position in each asset in excess of \$250,000 which becomes classified "Substandard" or "Doubtful" in any future Report of Examination. For purposes of this provision, "reduce" means to collect, charge off, or improve the quality of an asset so as to warrant its removal from adverse classification by the Commissioner and the Regional Director.
- (b) The Classified Asset Plan shall include, at a minimum, the following:

(i) an action plan to review, analyze and document the current financial condition of each classified borrower including source of repayment, repayment ability, and alternative repayment sources, as well as the value and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position;

(ii) a schedule for reducing the outstanding dollar amount of each adversely classified asset, including timeframes for achieving the reduced dollar amounts (at a minimum, the schedule for each adversely classified asset must show its dollar balance on a quarterly basis)

(iii) specific action plans intended to reduce the Bank's risk exposure in each classified asset;

(iv) delineate areas of responsibility for loan officers; and

(v) provide for the submission of monthly written progress reports to the Board for review and notation in minutes of the Board meetings.

(c) The Classified Asset Plan shall be submitted to the Commissioner and the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Commissioner and the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Classified Asset Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Classified Asset Plan.

(d) The Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who is already obligated in any manner to the Bank on any extensions of credit (including any portion thereof) that has been charged off the books of the Bank or classified "Loss" in the current or any future Report of Examination, so long as such credit remains uncollected.

(e) The Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower whose loan or other credit which is delinquent or has been classified "Substandard", "Doubtful", or is listed for "Special Mention" in the current or any future Report of Examination, and is uncollected, unless the Board, or a designated committee thereof, provides in writing, a detailed explanation of why the extension is in the best interest of the Bank. Prior to extending additional credit pursuant to this subparagraph, whether in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by the Board who shall determine that:

(i) the failure of the Bank to extend such credit would be detrimental to the best interests of the Bank, with a written explanation of why the failure to extend such credit would be detrimental;

(ii) the extension of such credit would improve the Bank's position, with a written explanatory statement of how and why the Bank's position would improve; and

(iii) an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended.

(f) The Board's determinations and approval shall be recorded in the minutes of the Board meeting and copies shall be submitted to the Commissioner and the Regional Director at such times as the Bank submits the progress reports required by this ORDER or sooner upon the written request of the Commissioner and the Regional Director.

LOSS CHARGE-OFF

4. The Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" by the Commissioner or the FDIC in the Report of Examination dated August 11, 2014 that have not been previously collected or charged off. Elimination or

reduction of such assets with the proceeds of other Bank extensions of credit shall not be considered "collection" for purposes of this paragraph. Thereafter, within 30 days after the receipt of any Report of Examination of the Bank from the Commissioner or the FDIC, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" in any Report of Examination that have not been previously collected or charged off.

ALLOWANCE FOR LOAN AND LEASE LOSSES

5. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop and submit for review as described in subparagraph (d), a comprehensive policy and methodology for determining the Allowance for Loan and Lease Losses ("ALLL Policy"). The ALLL Policy shall provide for a review of the ALLL at least once each calendar quarter. Said review should be completed not later than 30 days subsequent to the end of each calendar quarter in order that the results of the review conducted by the Board may be properly reported in the quarterly Consolidated Reports of Condition and Income ("Call Report"). Such reviews shall, at a minimum, be made in accordance with:

- (i) Financial Accounting Standards Board ("FASB") ASC 310-40 and FASB ASC 310-10-35-2 through 30;
- (ii) the FFIEC's Instructions for the Call Report;
- (iii) the *Interagency Statement of Policy on the Allowance for Loan and Lease Losses* (FIL-105-206, issued December 13, 2006);
- (iv) other applicable regulatory guidance that addresses the appropriateness of the Bank's ALLL; and

(v) any analysis of the Bank's ALLL provided by the FDIC and the Commissioner.

(b) Such reviews shall include, at a minimum:

(i) the Bank's loan loss experience;

(ii) an estimate of the potential loss exposure in the loan portfolio; and

(iii) trends of delinquent and nonaccrual loans and prevailing and prospective economic conditions.

(c) The minutes of the Board meetings at which such reviews are undertaken shall include complete details of the reviews and the resulting recommended adjustment in the ALLL. The Board shall document in the minutes the basis for any determination not to require provisions for loan losses in accordance with subparagraphs (a) and (b).

(d) The ALLL Policy shall be submitted to the Commissioner and the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Commissioner and the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the ALLL Policy, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the ALLL Policy.

(e) A deficiency in the ALLL shall be remedied in the calendar quarter in which it is discovered by a charge to current operating earnings prior to any Tier 1 Capital determinations required by this ORDER and prior to the Bank's submission of its Call Report. The Bank shall thereafter maintain an appropriate ALLL.

(f) The analysis supporting the determination of the adequacy of the ALLL shall be submitted to the Commissioner and the Regional Director. These submissions shall be made at

such times as the Bank files the progress reports required by this ORDER or sooner upon the written request of the Commissioner and the Regional Director. In the event that the Commissioner and the Regional Director determine that the Bank's ALLL is inadequate, the Bank shall increase its ALLL and amend its Call Report(s) accordingly.

CONCENTRATIONS

6. (a) Within 90 days from the effective date of this ORDER, the Bank shall formulate and submit for review as described in subparagraph (b), a written plan to reduce and manage each of the concentrations of credit identified in the Report of Examination dated August 11, 2014 ("Concentrations Reduction Plan"). At a minimum, the Concentrations Reduction Plan must provide for written procedures for the ongoing measurement and monitoring of the concentrations of credit, and a limit on concentrations commensurate with the Bank's capital position, business strategy, management expertise, size, location, safe and sound banking practices, and the overall risk profile of the Bank. Such plan shall prohibit any advances that would increase the concentration unless the advance is pursuant to an existing loan agreement and is otherwise permissible pursuant to this ORDER.

(b) The Concentrations Reduction Plan shall be submitted to the Commissioner and the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Commissioner and the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Concentration Reduction Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the plan.

LOAN REVIEW PROGRAM

7. (a) Within 60 days from the effective date of this ORDER, the Board shall establish a program of independent loan review that will provide for a periodic review of the Bank's loan portfolio and the identification and categorization of problem credits ("Loan Review Program").

(b) At a minimum, the Loan Review Program shall provide for:

(i) prompt identification of loans with credit weaknesses that warrant the special attention of management, including the name of the borrower, amount of the loan, reason why the loan warrants special attention; and assessment of the degree of risk that the loan will not be fully repaid according to its terms;

(ii) prompt identification of all outstanding balances and commitments attributable to each borrower identified under the requirements of subparagraph (i), including outstanding balances and commitments attributable to related interests of such borrowers, including the borrower of record, relationship to the primary borrower identified under subparagraph (i), and an assessment of the risk exposure from the aggregate relationship;

(iii) identification of trends affecting the quality of the loan portfolio and potential problem areas;

(iv) assessment of the overall quality of the loan portfolio;

(v) identification of credit and collateral documentation exceptions;

(vi) identification and status of violations of laws, rules, or regulations with respect to the lending function;

(vii) identification of loans that are not in conformance with the Bank's Loan Policy;

(viii) identification of loans to directors, officers, principal shareholders, and their related interests; and

(ix) a mechanism for reporting periodically, but in no event less than quarterly, the information developed in (i) through (viii) above to the Board.

(c) The Loan Review Program shall be submitted to the Commissioner and the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Commissioner and the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Loan Review Program, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Loan Review Program.

LOAN POLICY

8. (a) Within 90 days from the effective date of this ORDER, the Bank shall conduct a review of the Bank's loan policies and procedures for adequacy and, based upon such review, shall make all appropriate revisions to the loan policies and procedures ("Loan Policy") necessary to address the lending deficiencies identified in the Report of Examination dated August 11, 2014. The revised Loan Policy shall be submitted for review as described in subparagraph (c). The Board shall also establish review and monitoring procedures to ensure that all lending personnel adhere to the Loan Policy, and that the Board receives timely and fully documented reports on loan activity, including reports that identify deviations from the Loan Policy.

(b) The Loan Policy shall, at minimum:

(i) require that all extensions of credit originated or renewed by the Bank, including loans purchased from a third party (loan participations):

- (1) have a clearly defined and stated purpose;
 - (2) have a predetermined and realistic repayment source and schedule, including secondary source of repayment;
 - (3) are supported by complete loan documentation, including lien searches, perfected security interests, and collateral valuations; and
 - (4) are supported by current financial information, profit and loss statements or copies of tax returns, and cash flow projections, which shall be maintained throughout the term of the loan; and are otherwise in conformance with the Loan Policy;
- (ii) incorporate limitations on the amount that can be loaned in relation to established collateral values, require the source of collateral valuations to be identified, require that collateral valuations be completed prior to the commitment to lend funds, and require that collateral valuations be performed on a periodic basis over the term of the loan;
 - (iii) require accurate reporting of past due loans to the Board or the Bank's loan committee at least monthly;
 - (iv) establish review and monitoring procedures for compliance with the FDIC's appraisal regulation, 12 C.F.R. Part 323, and the *Interagency Appraisal and Evaluation Guidelines* (FIL-82-2010, issued December 10, 2010); and
 - (v) address the findings and recommendations regarding loan and credit administration deficiencies, including but not limited to, real estate tax monitoring and nonaccrual accounting, identified in the Report of Examination dated August 11, 2014.
- (c) The Loan Policy shall be submitted to the Commissioner and the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or comments from the Commissioner and the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Loan Policy, which approval shall be

recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Loan Policy.

CAPITAL

9. (a) Within 90 days from the effective date of this ORDER, the Bank shall develop a written plan ("Capital Plan"), subject to review and approval of the Commissioner and Regional Director, that details the manner in which the Bank will meet and maintain a Tier 1 Capital at least equal to 8 percent of total assets; a Tier 1 risk-based Capital at least equal to 10 percent of total-risk weighted assets; and a Total risk-based Capital at least equal to 12 percent of total risk-weighted assets (as such terms are defined in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325). At a minimum, the Capital Plan shall include specific benchmark Tier 1 Capital Ratios, Tier 1 Risk-Based Capital Ratios and Total Risk-Based Capital Ratios to be met at each calendar quarter end until the required capital levels are achieved. The Bank shall comply with the FDIC's *Statement of Policy on Risk-Based Capital* found in Appendix A to Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325, App. A.

(b) In the event any required capital ratio falls below the minimum required by the approved Capital Plan, the Bank shall immediately notify the Commissioner and the Regional Director; and

(i) within 45 days shall increase capital in an amount sufficient to comply with the capital ratios as set forth in the approved Capital Plan; or

(ii) within 45 days submit to the Regional Director a contingency plan for the sale, merger, or liquidation of the Bank in the event the capital ratios are not met as set forth in the approved Capital Plan.

(c) The Capital Plan shall be submitted to the Commissioner and the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Commissioner or Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Capital Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Capital Plan.

(d) The Board shall review the Bank's adherence to the Capital Plan, at minimum, on a monthly basis. Copies of the reviews and updates shall be submitted to the Commissioner and the Regional Director as part of the progress reports required by this ORDER, and any material changes to the Capital Plan shall be submitted to the Commissioner and Regional Director no later than 10 days after completion.

PROFIT AND BUDGET PLAN

10. (a) Within 90 days from the effective date of this ORDER, and within the first 45 days of each calendar year thereafter, the Bank shall formulate and submit for review as described in subparagraph (c), a written profit and budget plan ("Profit Plan") consisting of goals and strategies, consistent with sound banking practices, and taking into account the Bank's other written plans, policies, or other actions as required by this ORDER.

(b) The Profit Plan shall include, at a minimum:

(i) a description of the operating assumptions that form the basis for, and adequately support, material projected revenue and expense components;

(ii) specific goals to maintain appropriate provisions to the ALLL;

(iii) realistic and comprehensive budgets for all categories of income and expense;

(iv) an executive compensation plan, addressing any and all salaries, bonuses and other benefits of every kind or nature whatsoever, both current and deferred, whether paid directly or indirectly, which plan incorporates qualitative as well as profitability performance standards for the Bank's senior executive officers;

(v) a budget review process to monitor the revenue and expenses of the Bank whereby actual performance is compared against budgetary projections not less than quarterly; and

(vi) recording the results of the budget review and any actions taken by the Bank as a result of the budget review in the Board minutes.

(c) The Profit Plan shall be submitted to the Commissioner and the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Commissioner and the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Profit Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Profit Plan.

(d) Within 45 days following the end of each calendar quarter following completion of the Profit Plan required by this paragraph, the Board shall evaluate the Bank's actual performance in relation to the Profit Plan, record the results of the evaluation, and note any actions taken by the Bank in the minutes of the Board meeting at which such evaluation is undertaken.

STRATEGIC PLAN

11. (a) Within 90 days from the effective date of this ORDER, the Bank shall develop and submit for review as required by subparagraph (c), a written strategic plan ("Strategic Plan")

supported by an operating budget and consisting of goals and strategies, consistent with sound banking practices, and taking into account the Bank's other written plans, policies, or other actions as required by this ORDER. The Strategic Plan shall contain an assessment of the Bank's current financial condition and market area, and a description of the operating assumptions that form the basis for major projected income and expense components.

(b) The Strategic Plan shall include, at a minimum:

(i) identification of the major areas in and means by which the Bank will seek to improve operating performance;

(ii) specific goals to improve the net interest margin, increase interest income, reduce discretionary expenses,

(iii) financial goals, including pro forma statements for asset growth, capital adequacy, and earnings; and

(iv) coordination of the Bank's loan, investment, funds management, and operating policies, profit and budget plan, and ALLL methodology with the Strategic Plan.

(c) The Strategic Plan shall be submitted to the Commissioner and the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Commissioner and the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Strategic Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Strategic Plan.

(d) The Strategic Plan required by this ORDER shall be revised 30 days prior to the end of each calendar year, and approved by the Board, which approval shall be recorded in the

minutes of the Board meeting. Thereafter, the Bank shall implement and adhere to the revised Strategic Plan.

CORRECTION OF VIOLATIONS

12. The Bank shall take all steps necessary, consistent with other provisions of this ORDER and safe and sound banking practices, to eliminate or correct and prevent unsafe or unsound banking practices, violations of law or regulation, and all contraventions of regulatory policies or guidelines cited in the Report of Examination dated August 11, 2014.

PROGRESS REPORTS

13. Within 45 days from the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish to the Commissioner and the Regional Director written progress reports detailing the form, manner, and results of any actions taken to secure compliance with this ORDER. All progress reports and other written responses to this ORDER shall be reviewed by the Board and made a part of the Board minutes.

DIVIDEND RESTRICTION

14. The Bank shall not declare or pay any dividend without the prior written consent of the Commissioner and the Regional Director.

SHAREHOLDER DISCLOSURE

15. Following the effective date of this ORDER, the Bank shall provide to its shareholders or otherwise furnish a description of this ORDER, in conjunction with the Bank's next shareholder communication and in conjunction with its notice or proxy statement preceding the Bank's next

shareholder meeting. The description shall fully describe the ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Risk Management Supervision, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Washington, D.C. 20429 and to the New Jersey Department of Banking and Insurance, Division of Banking – Depositories, 20 West State Street, P.O. Box 40, Trenton, New Jersey 08625-0040 for non-objection or comment at least 30 days prior to dissemination to shareholders. Any changes requested to be made by the Commissioner and FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

MISCELLANEOUS

It is expressly understood that if, at any time, the Commissioner and the Regional Director shall deem it appropriate in fulfilling the responsibilities placed upon them under applicable law to undertake any further action affecting the Bank, nothing in this ORDER shall bar, estop, or otherwise prevent the Commissioner or any other federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This ORDER shall be effective on the date of issuance.


The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside by the Commissioner.

This agreement may be executed in several counterparts, each of which shall be deemed an original, and all counterparts together shall constitute one and the same instrument.

In the event any paragraph of the ORDER is ruled invalid, illegal or unenforceable by the decision of any court of competent jurisdiction, the validity, legality and enforceability of the remaining paragraphs hereof shall not in any way be affected or impaired thereby.

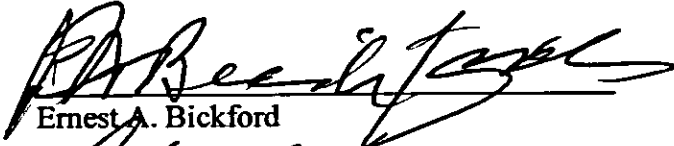
This ORDER is entered into under the Commissioner's authority under the New Jersey Banking Act of 1948 and shall have the full force of the law as provided in N.J.S.A. 17:9A-267 and 268.




Kenneth E. Kobylowski, Commissioner
Department of Banking and Insurance

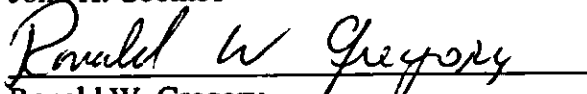
Consented to as to Form, Substance and Entry:


HARVEST COMMUNITY BANK



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March 19, 2015

VIA OVERNIGHT MAIL

Kenneth E. Kobylowski
Commissioner
New Jersey Department of
Banking and Insurance
20 West State Street
Trenton, New Jersey 08625

Re: In the Matter of Harvest Community Bank
Pennsville, New Jersey
Consent Order FDIC-14-436b

RECEIVED
2015 MAR 24 A 9 52
HJ DOBI
OFFICE OF THE
COMMISSIONER

Dear Commissioner Kobylowski:

For your information and records, I have accepted the Stipulation and Consent to the Issuance of a Consent Order, dated March 19, 2015, and have issued, under delegated authority a Consent Order against the captioned bank, dated March 19, 2015.

Copies of the documents are enclosed herewith.

Sincerely,

John F. Vogel
Regional Director

Enclosures

RECEIVED

MAR 24 2015 VIA UPS

DEPT. OF BANKING & INSURANCE
BANKING/DEPOSITORIES

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)

HARVEST COMMUNITY BANK)
PENNSVILLE, NEW JERSEY)

(INSURED STATE NONMEMBER BANK))
_____)

STIPULATION AND CONSENT
TO THE ISSUANCE OF
A CONSENT ORDER

FDIC-14-436b

Subject to the acceptance of this STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER ("CONSENT AGREEMENT") by the Federal Deposit Insurance Corporation ("FDIC"), it is hereby stipulated and agreed by and between a representative of the Legal Division of the FDIC and Harvest Community Bank, Pennsville, New Jersey ("Bank"), as follows:

1. The Bank has been advised of its right to receive a NOTICE OF CHARGES AND OF HEARING ("NOTICE") detailing the unsafe or unsound banking practices and violations of law and/or regulations alleged to have been committed by the Bank, and of its right to a hearing on the alleged charges under section 8(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818 (b)(1), and has waived those rights.

2. The Bank, solely for the purpose of this proceeding and without admitting or denying any of the alleged charges of unsafe or unsound banking practices and violations of law and/or regulations, hereby consents and agrees to the issuance of a CONSENT ORDER ("ORDER") by the FDIC. The Bank further stipulates and agrees that such ORDER shall be deemed to be a final ORDER and that such ORDER shall become effective upon the issuance by the FDIC and fully enforceable by the FDIC pursuant to the provisions of section 8(i)(1) of the Act, 12 U.S.C. § 1818(i)(1), subject only to the conditions set forth in paragraph 3 of this CONSENT AGREEMENT.

3. In the event the FDIC accepts this CONSENT AGREEMENT and issues the

ORDER, it is agreed that no action to enforce the ORDER in the United States District Court will be taken by the FDIC unless the Bank or any of its directors, officers, employees, agents, successor or assigns, or other institution-affiliated parties (as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u)), has violated or is about to violate any provision of the ORDER.

4. The Bank hereby waives:
- (a) the receipt of a NOTICE;
 - (b) all defenses to the allegations to be set forth in the NOTICE;
 - (c) a hearing for the purpose of taking evidence on such alleged charges;
 - (d) the filing of PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW;
 - (e) the issuance of a RECOMMENDED DECISION by an Administrative Law Judge;
 - (f) the filing of exceptions and briefs with respect to such RECOMMENDED DECISION; and
 - (g) judicial review of the ORDER as provided by section 8(h) of the Act, 12 U.S.C. § 1818(h), or any other challenge to the validity of the ORDER.

Dated: March 19, 2015.

FEDERAL INSURANCE DEPOSIT CORPORATION
LEGAL DIVISION

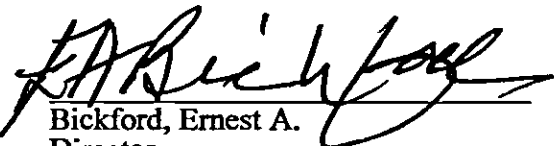
HARVEST COMMUNITY BANK
PENNSVILLE, NEW JERSEY

By:

By:



Patty S. Ko
Senior Attorney
New York Regional Office





Bickford, Ernest A.
Director




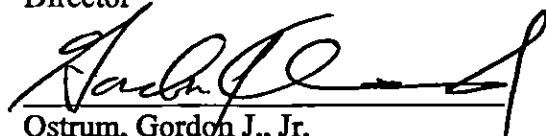
Carapella, Anthony W., Jr.
Director


Coombs, John H.
Director

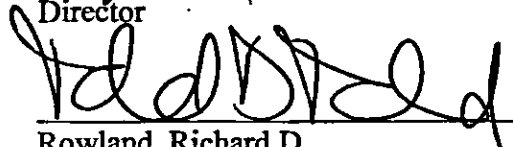

Gregory, Ronald W.
Director


Harris, Grant
Director


McEntee, Frank J
Director


Ostrum, Gordon J., Jr.
Director


Puma, David J.
Director


Rowland, Richard D.
Director

Williams, Lee C., Jr.
Director


Williams, Michael A.
Director

Comprising the Board of Directors of
Harvest Community Bank
Pennsville, New Jersey