



Comptroller of the Currency
Administrator of National Banks

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, NY 10036-7780

Licensing Unit
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Conditional Approval #490
October 2001

September 17, 2001

Ms. Carol L. Mitchell
Executive Vice President
and General Counsel
Banknorth Group, Inc.
Two Portland Square
P.O. Box 9540
Portland, Maine 04112-9540

Re: Multi-step transactions through which MetroWest Bank, Framingham, Massachusetts will be merged with and into First Massachusetts Bank, National Association, ("First Massachusetts") Worcester, Massachusetts under the charter and title of the latter.
Control No. 2001 NE 02 0041, 0042 and 0043 Charter No. 23043

Dear Ms. Mitchell:

This is to inform you that on September 13, 2001, the Office of the Comptroller of the Currency (OCC) approved the following proposals to be consummated in the order indicated:

- Merger of MetroWest Bank, Framingham, Massachusetts, a state savings bank, with and into MetroWest Bank, National Association (In Organization), Framingham, Massachusetts (Charter # 24277), an interim bank.
- Consolidation of FMB, National Association (In Organization), Worcester, Massachusetts (Charter # 24279), an interim bank, and MetroWest Bank, National Association, Framingham, Massachusetts (Charter # 24277) with the name of "MetroWest Bank, National Association", Framingham, Massachusetts and with the charter number # 24277.
- Merger of MetroWest Bank, National Association", Framingham, Massachusetts (Charter 24277) with and into First Massachusetts Bank, National Association, Worcester, Massachusetts (Charter # 23043) under the title "First Massachusetts Bank, National Association" and charter number of 23043, the resulting bank.

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This also represents OCC's approval for First Massachusetts to return to Banknorth Group, Inc., following consummation of the mergers/consolidation, capital of \$200,000, which was used to capitalize FMB, National Association.

This approval is granted based on a thorough review of all information available, including commitments and representations made in the application and the merger/consolidation agreements and those of your representatives.

This approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

This approval is subject to the following conditions:

- First Massachusetts's investment in Savings Bank Life Insurance Company of Massachusetts must be divested or otherwise brought into conformance within six months of consummation. Please notify this Office when the assets have been divested.

The condition of this approval is a condition "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC 1818. As such, the condition is enforceable under 12 USC 1818.

Based on the bank's representation, F.S.B. Development Corporation's only activity is to hold title to a property acquired in exchange for debts previously contracted and as such should be treated as an OREO property of First Massachusetts upon consummation of the above transactions. This property should be disposed of in compliance with the current statutory requirements for OREO. Any subsequent activities, if any, of F.S.B. Development Corporation must be bank permissible and should follow existing guidance in the Comptroller's Manual for Corporate Activities, Investment in Securities and Equities Booklet.

You are reminded to submit copies of proxy materials and the results of any shareholder votes relating to MetroWest Bank to the district office.

As a reminder, the district office must be advised in writing in advance of the desired effective date for the transactions so that the OCC may issue the necessary certification letter. The effective date must follow the applicable Department of Justice injunction period and any other required regulatory approval.

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If applicable, please be advised that the OCC is also authorizing the resulting bank, should the combination occur between Call Report dates, to recalculate its legal lending limit. The new lending limit should be calculated by using data from the last Call Report of the individual banks filed prior to consummating the combination, as adjusted for the combination. The resulting bank will then file a new Call Report and begin calculating its legal lending limit according to 12 C.F.R. 32.4(a) at the end of the quarter following consummation of the combination.

The OCC will issue a letter certifying consummation of the transactions when we have received:

- 1) A Secretary's Certificate for each institution, certifying that a majority of the board of directors approved the transactions, if not previously provided.
- 2) All executed merger/consolidated agreements with Articles of Association for the resulting bank attached, if not previously provided.
- 3) A Secretary's Certificate from each institution, certifying that the shareholder approvals have been obtained.
- 4) Documents completing the organization of the interim banks.
- 5) Confirmation of the holding company's proposed \$35 million capital injection and balance sheet realignment, as referenced in the pro forma asset and capital schedules included in the application, unless an alternate plan is otherwise subsequently approved by the OCC.

Self-certification forms for Community Development Investments made under 12 CFR Part 24 for the resulting bank should be filed, if desired, with OCC's Community Development Division, Comptroller of the Currency, Washington, D.C. 20219 within 10 days of consummation. Our review of these investments indicates that a filing is not required as the investments reported relate to participation in loan pools.

Additionally, our review of the above filings indicates that First Massachusetts's aggregate par value and/or surplus capital accounts may have changed, please review the OCC's booklet, Capital and Dividends regarding procedures and forms to be submitted relating changes in capital. Please provide the exact dollar amount of each change as well as the exact dollar amount of the ending par value and surplus accounts in order that we may properly certify the changes.

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If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

If you have questions, please contact me at (212) 790-4055.

Sincerely,

-signed-

Linda Leickel
Licensing Analyst