



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

Division of Supervision

January 16, 2001

Board of Directors
Northwest Community Bank
86 Main Street
Winsted, Connecticut 06098

Members of the Board:

The notice of proposed mutual-to-stock conversion filed on behalf of Northwest Community Bank, Winsted, Connecticut (Bank) has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to 12 C.F.R. Sections 303.160 – 303.164 and other pertinent FDIC regulations.

Based on the information presented in the Bank's notice of conversion, the FDIC does not object to the conversion. Please advise the Boston Regional Office in writing when the conversion transaction has been completed.

Pursuant to Section 4(d) of the Federal Deposit Insurance Act, the resultant stock bank will be an insured depository institution.

Sincerely,

/S/

Michael J. Zamorski
Acting Director

cc: William W. Bouton III
Tyler Cooper & Alcorn, L.L.P.
185 Asylum Street
CityPlace, 35th Floor
Hartford, Connecticut 06103-3488

FEDERAL DEPOSIT INSURANCE CORPORATION

**RE: Northwest Community Bank
Winsted, Connecticut**

Application for Consent to Merge

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 Northwest Community Bank, Winsted, Connecticut (Mutual Bank), currently a mutually-owned, Bank Insurance Fund member, state-chartered institution with total resources of \$240,329,000 and total deposits of \$201,336,000 as of June 30, 2000, for the FDIC's consent to merge with NWC Stock Bank, Winsted, Connecticut, a proposed new, interim, stock bank.

This transaction is the result of Mutual Bank's plan of reorganization which, solely to facilitate this undertaking, includes:

1. Mutual Bank will form a mutual holding company to be known as Northwest Mutual Holding Company (NMHC);
2. NMHC will incorporate a wholly-owned subsidiary, an interim stock savings bank, NWC Stock Bank (Stock Bank). NMHC will become the holding company of the successor to Northwest Community Bank upon consummation of the mutual holding company reorganization. Stock Bank will issue all its common stock to NMHC;
3. Mutual Bank will immediately merge with and into Stock Bank. Stock Bank will be the surviving entity, under the corporate name of Northwest Community Bank.

Following the Reorganization, two corporate entities will exist: a mutual holding company (NMHC), and a stock bank subsidiary (Stock Bank). After consummation of the above transactions, the resultant bank will be a wholly owned subsidiary of Connecticut Mutual Holding Company, a Connecticut nonstock corporation that will be the surviving institution following the merger of NMHC with Litchfield Mutual Holding Company, a Connecticut nonstock corporation organized at the direction of Litchfield Bancorp, Litchfield, Connecticut. The reorganization will result in one mutual holding company with two stock bank subsidiaries.

On the effective date of the Reorganization, the Stock Bank will be the wholly-owned subsidiary of NMHC. NMHC will be capitalized with an initial investment of \$100,000. An application for the establishment of NMHC has been filed with the Federal Reserve Board. The resultant bank will operate with the title of Northwest Community Bank, Winsted, Connecticut. Following the consummation of the merger, the resultant bank will operate the same banking business, with the same management, at the same locations now being served by Mutual Bank. The proposed transaction, per se, will not alter the competitive structure of banking in the market served by Mutual Bank. The resultant bank's principal office will be at 86 Main Street, Winsted, Connecticut. Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act.

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) Statements of the proponent, discloses no inconsistencies with the purposes of the CRA. The new 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 banks and the resultant bank, and the convenience and needs of the community to be served. Having found favorably on all statutory factors and having considered other relevant information, including the 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 judgement that the application should be and hereby is approved, subject to the following conditions:

1. Unless prior notice is provided to and non-objection is received from the FDIC, no shares of the stock of Northwest Community Bank shall be sold, transferred or otherwise disposed of, to any persons (including any Employee Stock Ownership Plan) other than Northwest Mutual Holding Company, or its successors.
2. That, prior to a sale, transfer or other disposition of any shares of Northwest Community Bank by Northwest Mutual Holding Company, or its successors, to any person (including any Employee Stock Ownership Plan), or a conversion of Northwest Mutual Holding Company, or its successors, to stock form, Northwest Community 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 any such sale, transfer, disposition or conversion.
3. That, should any shares of stock of Northwest Community Bank be issued to persons other than Northwest Mutual Holding Company, or its successors, any dividends waived by Northwest Mutual Holding Company, or its successors, must be retained by Northwest Community Bank and segregated, earmarked, or otherwise identified on its books and records; such amounts must 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 Northwest Mutual Holding Company, or its successors, to stock form; 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.
4. Any changes in proposed management, including the board of directors or proposed ownership (ten per cent or more of the stock and new acquisitions of or subscriptions to ten per cent or more of the stock), will render this approval null and void unless such proposal is approved by the Regional Director (Supervision) of the FDIC's Boston Regional Office prior to the consummation of the proposed transaction.

5. That the proposed transaction may not be consummated unless and until the applicant has received all appropriate Federal and State regulatory approvals.
6. That the transaction shall not be consummated sooner than fifteen calendar days after the date of this Order nor later than six months after the date of this Order unless such period is extended for good cause by the Corporation.
7. That until the conditional commitment herein granted becomes effective, the Corporation shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action.

By Order of the Acting Director of the Division of Supervision pursuant to the delegated authority of the Board of Directors.

Dated at Washington, D.C., this 16th day of January, 2001.

/S/

Michael J. Zamorski
Acting Director