

FDIC

Federal Deposit Insurance Corporation
Washington, D.C. 20429

Division of Supervision

September 29, 1997

CERTIFIED RETURN RECEIPT REQUESTED

Board of Directors
The Savings Bank of Rockville
25 Park Street
Rockville, Connecticut 06066-0660

Dear Board of Directors:

The notice to effect a mutual holding company reorganization with The Savings Bank of Rockville (Mutual Bank) forming a state-chartered mutual holding company, the organization of a stock savings bank owned by the holding company, and the merger of the stock savings bank with Mutual Bank has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to 12 C.F.R. § 303.15 and other pertinent FDIC regulations. Based on the information and representations presented, we do not object to the proposal.

Enclosed is our Order and Basis for the applications filed on behalf of Mutual Bank in conjunction with its Notice of Mutual Holding Company Reorganization. These include considerations of deposit insurance and the merger.

Please advise the Boston Regional Office in writing when the proposed transaction has been consummated. If an extension of the time limitation included in the Order is required, a letter requesting a specific extension of the limitation including reasons therefore should be submitted to the Boston Regional Office.

Sincerely,

/s/

Keith W. Seibold
Acting Associate Director

Enclosure

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

FEDERAL DEPOSIT INSURANCE CORPORATION

**RE: The Savings Bank of Rockville
Rockville, Connecticut**

Application for Federal Deposit Insurance and Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed on behalf of SBR Stock Savings Bank, Rockville, Connecticut (Stock Bank), a newly-formed, Bank Insurance Fund member, state-chartered stock savings bank, for federal deposit insurance and for the Corporation's consent to merge with The Savings Bank of Rockville, Rockville, Connecticut (Mutual Bank), a Bank Insurance Fund member, state-chartered mutual savings bank with total resources of \$367,219,000 and total deposits of \$315,949,000, as of June 30, 1997.

This transaction is the result of Mutual Bank's plan of reorganization involving the formation of a mutual holding company, Charter Oak Community Bank Corporation. (Charter Oak). Charter Oak will form Stock Bank which will then merge with Mutual Bank. Stock Bank as well as the resultant institution will be wholly owned subsidiaries of Charter Oak. The principal office will be at 25 Park Street, Rockville, Connecticut, the present location of Mutual Bank.

A review of available information, including the Community Reinvestment Act (the 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.

Favorable findings have been accorded to all factors required to be considered pertinent to each application. Accordingly, it is the Corporation's judgment that the applications should be and hereby are approved subject to the following conditions:

1. That federal deposit insurance shall not become effective unless and until the applicant has been established as a stock savings bank by the State authority and its mutual holding company, Charter Oak, has received approval to become a mutual holding company from Connecticut Banking Commissioner;
2. That Stock Bank shall not issue minority shares without prior written notification to and non-objection from the FDIC;

3. That Charter Oak shall provide written notification to the Corporation prior to its conversion to stock form and provide the Corporation with copies of all documents filed with state and federal banking and/or securities regulators in connection with any proposed conversion of the mutual holding company to stock form; and
4. That, should any shares of stock be issued to persons other than Charter Oak, any dividends waived by Charter Oak must be retained by Stock Bank and segregated, earmarked, or otherwise identified on its books and records; such amounts must be taken into account in any valuation of Stock Bank and Charter Oak and factored into the calculation used in establishing a fair and reasonable basis for exchanging bank shares for holding company shares in any subsequent conversion of Charter Oak to stock form; such amounts shall not be available for payment to or the value thereof transferred to minority shareholders of the bank by any means, including through dividend payments or at liquidation.
5. 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; and
6. 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 Associate Director of the Division of Supervision, acting pursuant to delegated authority of the Board of Directors of the Corporation.

Dated at Washington, D.C., this 29th day of September, 1997.

/s/

Keith W. Seibold
Acting Associate Director