



Federal Deposit Insurance Corporation

15 Braintree Hill Office Park, Braintree, MA 02184-8701

Division of Supervision and Consumer Protection

January 27, 2009

Board of Directors
Lowell Co-operative Bank
18 Hurd Street
Lowell, MA 01852

Dear Board Members:

The notice of proposed mutual-to-stock conversion ("Notice") and subsequent amendments thereto, filed on behalf of Lowell Co-operative Bank, Lowell, Massachusetts ("Bank"), have been received by the FDIC pursuant to 12 C.F.R. §303.15. As described in the Notice, the Bank proposes to convert from a Massachusetts-chartered mutual co-operative bank to a Massachusetts-chartered stock co-operative bank under a Plan of Supervisory Conversion pursuant to Massachusetts law.

As part of the Notice, the Bank has requested waivers from the Federal Deposit Insurance Corporation (FDIC) under 12 C.F.R. §303.162 and §333.4 from the requirements for (i) a vote of eligible depositors; (ii) any subscription rights for depositors; and (iii) an appraisal report. Moreover, the Bank is seeking a determination by the FDIC that, for good cause given, the FDIC waive the requirements of 12 C.F.R. §333.4(e) (or determine that such requirements are inapplicable) with respect to the issuance of stock options under a stock option and incentive plan. The transaction also results in the filing of a companion Notice of Change in Control and an Interagency Merger application. The Bank is also requesting that the FDIC not require public notice pursuant to 12 C.F.R. 303.65(b)(2).

With respect to the Bank's various requests for waivers, in accordance with 12 C.F.R. §303.161(a)(2), by resolution, the Board of Directors of the FDIC granted the request for waiver of compliance with the requirements of sections 333.4(c)(1) and 333.4(c)(2) of Part 333, and section 303.161(c)(6) of Part 303 pursuant to section 303.162(a)(2) of Part 303, as well as the Bank's request for waiver of Sections 333.4(e) of Part 333 pursuant to section 333.4(a) of Part 333. In addition, by resolution, the Board of Directors of the FDIC determined that publication, the comment period, a competitive factors report, and a post-approval waiting period are not required for the proposed merger transaction.

Based on the information and representations presented in the Notice, and acting pursuant to the delegated authority of the Board of Directors of the Corporation, I do not object to the proposed conversion on the terms outlined in the Notice as amended and supplemented. Also, per Section 4(d) of the Federal Deposit Insurance Act (12 U.S.C. §1814 (d)), the converted Bank will be an insured depository institution.

We have also reviewed the Notice of Change in Control filed on behalf of Mr. John L. Matthews and Mr. Paul E. Capasso, as trustee of the Capasso Voting Trust. Based on the

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information contained therein, we do not object to the acquisition. Our non-objection is based on the specific information contained in the Notice of Change in Control. An acquisition that is inconsistent with the information contained therein may be viewed as a violation of the Act and may be subject to civil money penalties or criminal prosecution. Any changes to the information provided in the Notice of Change in Control, such as the number of shares acquired, may alter the Corporation's findings on the acquisition and, therefore, must be reported to this office in writing and acknowledged by this office.

Enclosed is our Order and Basis for Corporation Approval (Order) for the merger application filed on behalf of the Bank in conjunction with the conversion transaction. FDIC approval is subject to the conditions stated in the Order. Please notify the Boston Area Office in writing when the proposed transaction has been consummated. If you have any questions, please contact Case Manager Kathleen M. Gibson at (781) 794-5526.

Sincerely,

/s/

John M. Lane
Acting Regional Director

Enclosure

cc: Honorable Steven L. Antonakes
Commissioner of Banks

Eric R. Fischer
Goodwin Procter LLP
Exchange Place
Boston, MA 02109

Peter Conrad, President
The Co-operative Central Bank

BOS-01-09

01/27/09

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Lowell Co-operative Bank
Lowell, Massachusetts

Application for Permission to Merge Pursuant to the Bank Merger Act

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance ("FDI") Act, Lowell Co-operative Bank, Lowell, Middlesex County, Massachusetts, a state-chartered co-operative bank with total resources of \$87,536,000 and deposits of \$74,762,000 as of September 30, 2008, requests consent to merge under its charter with LCB Investments, LLC, Stow, Middlesex County, Massachusetts. Notice of the proposed transaction was waived.

A review of available information, including the Community Reinvestment Act ("CRA") Statements of the proponents, disclosed no inconsistencies with the purposes of CRA. The resultant bank 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 application, the Corporation has taken into consideration the competitive effects of the proposed transaction; 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. The FDIC has also taken into consideration the effectiveness of the insured depository institutions involved in the proposed merger transaction in combating money-laundering activities. Having found favorably on these statutory factors and having considered other relevant information, it is the Corporation's judgment that the application should be and hereby is approved subject to the following conditions:

1. That all necessary and final approvals have been obtained from the State Authority; and
2. That until the proposed transaction becomes effective, the Corporation shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

By order of the Area Director of the Boston Area Office, acting pursuant to the delegated authority of the Board of Directors of the Corporation.

Dated at Braintree, Massachusetts, this 27th day of January 2009.

/S/

John M. Lane
Acting Regional Director