



Federal Deposit Insurance Corporation

550 17th Street NW, Washington, DC 20429

Division of Supervision

December 22, 2000

Board of Directors
Northfield Savings Bank
33 South Main Street
Northfield, Vermont 05663

Members of the Board:

The notice of proposed mutual-to-stock conversion filed on behalf of Northfield Savings Bank, Northfield, Vermont (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.

Sincerely,

/s/

Michael J. Zamorski
Acting Director

cc: John P. Soukenik
Elias, Matz, Tiernan & Herrick, L.L.P.
734 15th Street
12th Floor
Washington, DC 20005

FEDERAL DEPOSIT INSURANCE CORPORATION

RE: Northfield Savings Bank
Northfield, Vermont

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 Northfield Savings Bank, Northfield, Vermont (Mutual Bank), currently a mutually-owned, Bank Insurance Fund member, state-chartered institution with total resources of \$368,413,000 and total deposits of \$305,913,000 as of June 30, 2000, for the FDIC's consent to merge with New Northfield Savings Bank, Northfield, Vermont, 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 cause a mutual savings bank to be formed under Vermont law, which will amend its charter to become a mutual holding company. This mutual holding company will be known as Northfield MHC;
2. Northfield MHC will incorporate two wholly-owned subsidiaries, a Vermont stock corporation, Northfield Bancorp, Inc., and an interim stock savings bank, New Northfield Savings Bank (Interim Bank). Northfield Bancorp, Inc. will become the holding company of the successor to Northfield Savings Bank upon consummation of the mutual holding company reorganization. Interim Bank will issue all its common stock to Northfield MHC;
3. Mutual Bank will convert its charter to a stock savings bank (Stock Bank);
4. Interim Bank will merge with and into Stock Bank under the name of Northfield Savings Bank.
5. Northfield MHC will contribute the stock of Northfield Savings Bank to Northfield Bancorp, Inc.

Following the Reorganization, three corporate entities will exist: a mutual holding company (Northfield MHC), a stock holding company (Northfield Bancorp, Inc.), and a stock bank (Northfield Savings Bank).

On the effective date of the Reorganization, the Stock Bank will be the wholly-owned subsidiary of Northfield Bancorp, Inc., which in turn will be a wholly-owned subsidiary of Northfield MHC. Both Northfield Bancorp, Inc. and Northfield MHC will be capitalized with initial investments of \$50,000 each. Applications for the establishment of Northfield Bancorp, Inc. and Northfield MHC have been filed with the Federal Reserve Board. The resultant bank will operate with the title of Northfield Savings Bank, Northfield, Vermont. 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 33 South Main Street, Northfield, Vermont. 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 Northfield Savings Bank shall be sold, transferred or otherwise disposed of, to any persons (including any Employee Stock Ownership Plan) other than Northfield Bancorp, Inc.
2. That, prior to a sale, transfer or other disposition of any shares of Northfield Bancorp, Inc. by Northfield MHC to any person (including any Employee Stock Ownership Plan), or a conversion of Northfield MHC to stock form, Northfield Savings 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 Northfield Savings Bank or Northfield Bancorp, Inc. be issued to persons other than Northfield MHC any dividends waived by Northfield MHC must be retained by Northfield Savings Bank or Northfield Bancorp, Inc. 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 Northfield MHC 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 8th day of November, 2000.

/S/

Michael J. Zamorski
Acting Director