



Federal Deposit Insurance Corporation

550 17th Street NW, Washington, DC 20429

Division of Supervision

February 15, 2002

Board of Directors  
Williamstown Savings Bank  
795 Main Street  
Williamstown, Massachusetts 01267

Board of Directors:

The Notice to effect a mutual holding company reorganization with the organization of an interim institution and a merger to facilitate a conversion from mutual form to stock form filed on behalf of Williamstown Savings Bank, Williamstown, Massachusetts (Bank) has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.160 – 303.164 and other pertinent FDIC regulations. Based on the information presented and representations made, we do not object to the proposal.

Enclosed is our Order and Basis for Corporation Approval (Order) for the applications filed on behalf of Williamstown Savings Bank in conjunction with the conversion transaction, including considerations of deposit insurance and the proposed merger. Our approval is subject to the conditions stated in the Order, some of which must be met on an ongoing basis.

As part of the Notice, the Bank has requested, in accordance with 12 C.F.R. Section 333.4(a), waiver of certain provisions of the FDIC's regulations pertaining to mutual-to-stock conversions, specifically, the depositor vote requirement of 12 C.F.R. Section 333.4(c)(2). We have reviewed the Bank's request, and have found that a sufficient number of corporators are considered independent, and that a majority of the independent corporators voted in favor of the proposed conversion. Therefore, the Bank's request for a waiver is granted.

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,

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Michael J. Zamorski  
Director

Enclosure

FEDERAL DEPOSIT INSURANCE CORPORATION

Williamstown Savings Bank  
Williamstown, Berkshire County, Massachusetts

Applications for Federal Deposit Insurance and Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 5 and Section 18 (c) and other provisions of the Federal Deposit Insurance Act ("FDI Act"), an application has been filed on behalf of the Williamstown Savings Bank, Williamstown, Massachusetts, ("Mutual Institution"), currently a state-chartered mutually-owned Bank Insurance Fund ("BIF") member with total resources of \$165,397,000 and total deposits of \$103,818,000 as of December 31, 2001, for the FDIC's consent to merge with Williamstown Interim Savings Bank ("Interim Bank"), Williamstown, Massachusetts, a proposed new interim state-chartered stock savings bank. In addition, applications have been filed for federal deposit insurance for the Williamstown Interim Savings Bank and the resultant bank.

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

1. For Williamstown Savings Bank to organize a new savings bank under Massachusetts law to be known as Williamstown Mutual Savings Bank
2. For Williamstown Mutual Savings Bank to amend and restate its mutual savings bank charter as the charter of a mutual holding company to be known as Williamstown Mutual Holding Company.
3. For Williamstown Mutual Holding Company to simultaneously organize a Massachusetts chartered, stock bank as a subsidiary to be known as Williamstown Interim Savings Bank.
4. Williamstown Savings Bank will thereafter merge with Williamstown Interim Savings Bank, and Williamstown Interim Savings Bank being the legally surviving entity under the name of Williamstown Savings Bank.

Upon consummation of the reorganization, the deposits of the Mutual Institution will continue to be insured under the Bank Insurance Fund. On the effective date of the reorganization, the stock bank will be the wholly owned subsidiary of Williamstown Mutual Holding Company.

Applications for the establishment of Williamstown Mutual Holding Company have been filed with the Federal Reserve System. The resultant bank will operate with the title Williamstown Savings Bank, Williamstown, Massachusetts. Following the consummation of the merger, the resultant bank will operate the same banking business, with the same management, at the same location now being served by the Mutual Institution. The proposed transaction, per se, will not alter the competitive structure of banking in the market served by the Mutual Institution. The resultant bank's principal office will be at 795 Main Street, Williamstown, Massachusetts.

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") Statement of the proponent, discloses no inconsistencies with the purposes of the CRA. The resultant 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. In connection with the applications for deposit insurance the FDIC has taken into consideration the: financial history and condition; adequacy of the capital structure; future earnings prospects; general character and fitness of management; risk to the insurance fund; convenience and needs of the community; and consistency of corporate powers. Having found favorably on all statutory factors and having considered other relevant information, including all 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 applications should be and hereby are approved, subject to the following conditions:

1. That, except for the proposed transfers of the stock of Williamstown Savings Bank to Williamstown Mutual Holding Company, MountainOne Financial Partners, MHC, and MountainOne Financial Partners, Inc., no shares of the stock of Williamstown Savings Bank shall be sold, transferred or otherwise disposed of, to any person (including any Employee Stock Ownership Plan) unless prior notice is provided to, and non-objection is received from the FDIC.
2. That, prior to a sale, transfer or other disposition of any shares of Williamstown Savings Bank by the Williamstown Mutual Holding Company to any person (including any Employee Stock Ownership Plan), or a conversion of the Williamstown Mutual Holding Company to stock form, the Williamstown 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 be issued to persons other than the Williamstown Mutual Holding Company, any dividends waived by Williamstown Mutual Holding Company must be retained by the Williamstown Mutual Holding Company or Williamstown Savings 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 Williamstown Mutual Holding Company 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. That, any changes in proposed management, including the board of directors or proposed ownership (ten percent or more of the stock and new acquisitions of or subscriptions to ten percent 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' Boston Regional Office prior to the consummation of the proposed transaction.
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.
6. That, the transaction may not be consummated unless and until the applicant has received all appropriate Federal and state approvals.
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 Director of the Division of Supervision pursuant to the delegated authority of the Board of Directors.

Dated at Washington, D.C., this 15 day of February, 2002

**/s/**

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Michael J. Zarnorski  
Director