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UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

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| In The Matter Of:<br><br>NUMERICA FINANCIAL CORPORATION<br>Manchester, New Hampshire<br><br>OTS No. H-0867 | Re: Resolution No. Bos. 90-16<br>Date: December 27, 1990 |

STIPULATION AND CONSENT TO ISSUANCE
OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its District Director for the Boston District Office and Numerica Financial Corporation, Manchester, New Hampshire ("NFC" or the "Company"), stipulate and agree as follows:

I. Consideration

The OTS, based upon information reported to it, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against NFC pursuant to Section 8(b)(8) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. 1818(b)(8). The Company desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings or litigation and, solely for the purpose for this proceeding, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease and desist proceedings or litigation against the Company with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

II. Jurisdiction

The Company is a "savings and loan holding company" within the meaning of Section 10(a)(1)(D) of the Home Owners' Loan Act, 12 U.S.C. 1467a(a)(1)(D) and Section 3(w)(3) of the FDIA, 12 U.S.C. 1813(w)(3). Pursuant to Section 3(q)(4) of the FDIA, 12 U.S.C. 1813(q)(4), the Director of OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings and loan holding company. Therefore, the Company is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against it pursuant to Section 8(b)(8) of the FDIA, 12 U.S.C. 1818(b)(8).

III. Consent

The Company consents to the issuance by the OTS of the Order. It further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

IV. Finality

The Order is issued under Section 8(b) of the FDIA, 12 U.S.C. 1818(b). Upon its issuance by the OTS, it shall be a final order, effective and fully enforceable by the OTS under Section 8(i) of the FDIA, 12 U.S.C. 1818(i).

V. Waivers

The Company waives its right to a notice of charges and the administrative hearing provided by Section 8(b)(1) and (h)(1) of the FDIA, 12 U.S.C. 1818(b)(1) and (h)(1), and further waives any right to seek judicial review of the Order, including any such right provided in Section 8(h) of the FDIA, 12 U.S.C. 1818(h), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS and the Company, by a majority of its board of directors, execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

By: /S/
Ralph W. Gridley
District Director
Boston District Office

/S/
Edward O. Powers

/S/
James F. Quirk, Jr.

/S/
Richard S. Winneg

NUMERICA FINANCIAL CORPORATION
By a majority of its Board of Directors:

/S/
John J. Reilly, Jr.

/S/
Ralph E. Jensen

/S/
John S. Gikas

William S. Green

/S/
Robert J. Harrison

/S/
Paul M. Harvey

/S/
Guy B. Miller

/S/
Mary M. Mongan

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ORDER TO CEASE AND DESIST

WHEREAS, Numerica Financial Corporation, Manchester, New Hampshire ("NFC" or the "Company"), through its board of directors, has executed a Stipulation and Consent to Issuance of Order to Cease and Desist, which is incorporated herein by reference ("Stipulation") and is accepted and approved by the Office of Thrift Supervision ("OTS"), by and through its District Director for the Boston District Office ("District Director"); and

WHEREAS, the Company, in the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C. 1818(b) ("FDIA");

WHEREAS, the OTS is of the opinion that the Company and its subsidiaries, have engaged in unsafe and unsound banking practices and/or regulatory violations.

NOW THEREFORE, IT IS ORDERED THAT the Company shall take affirmative action as follows:

I. Management

A. Within forty-five (45) days from the effective date of this Order, the Board of Directors shall develop and submit to the District Director a written analysis and assessment of the Company's senior management and staffing needs ("Management Plan") which shall include, at a minimum:

1. identification of both the type and number of senior vice president and higher officer positions needed to properly manage and supervise the affairs of the Company;

2. identification and establishment of Company committees needed to provide guidance and oversight to active management;

3. evaluation of each Company senior vice president and higher officer member to determine whether these individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including adherence to the Company's established policies and practices, and maintenance of the Company in a sound and safe condition;

4. an analysis of senior management's strengths and weaknesses, including an assessment of current compensation and organizational structure; and

5. an assessment of senior management staff's ability to effectively manage and resolve current problems confronting the Company; and

6. a plan of action to recruit and hire any additional or replacement personnel with the ability, experience and other qualifications, which the Board of Directors determines are necessary to fill Company senior vice president and higher

positions.

B. The Board of Directors shall approve the written Management Plan, and such approval shall be recorded in the minutes of the Board of Directors. Any modification shall become effective when approved by the Board of Directors, and such approval shall be recorded in the minutes of the Board of Directors. The Board shall notify the District Director of all approved material modifications. The Company, its directors, and senior officers shall implement and follow the written Management Plan and/or any subsequent modification thereto.

II. Capital

A. Within sixty (60) days from the effective date of this Order, the Company shall take all reasonable steps to obtain and infuse capital into Numerica sufficient to meet minimum capital requirements, as required by 12 C.F.R. 567.2, or, in the alternative, ensure that Numerica complies with all provisions, requirements, conditions, restrictions and limitations specified in a Capital Directive issued by the OTS.

B. Within sixty (60) days from the effective date of this Order, and thereafter within twenty (20) days following the monthly Board of Directors meeting, the Company shall furnish a written monthly "Capital Status Report" to the OTS which shall include, at a minimum:

1. details with respect to any action the Company has taken in its search for additional capital. Each action shall disclose the persons or entities contacted, the persons or entities making such contact, the amount of additional capital

involved, and an assessment of the results thereof;

2. the amount of capital and the ratio of capital to assets, as of both the previous and the current month end, for the consolidated Company, and also for Numerica, HomeBank, and other Company subsidiaries as separate entities; and

3. the amount of internally classified assets and the ratio of capital to internally classified assets, as of both the previous and the current month end, for Numerica and HomeBank separately.

The "Capital Status Reports" shall continue to be furnished on a monthly basis until such requirement is terminated in writing by the District Director. Each "Capital Status Report" shall be reviewed by the Board of Directors with such reviews documented in the board minutes.

III. Dividends

No cash dividends shall be upstreamed to the Company from Numerica or HomeBank and no dividend shall be paid by the Company without ninety (90) days prior written notice to, and opportunity to object by, the District Director.

IV. Affiliated Transactions

The Company shall not engage in any otherwise permitted transaction under the OTS regulations pertaining to holding companies, or Sections 23A and 23B of the Federal Reserve Act, between and amongst itself and Numerica, HomeBank, or any other subsidiary of the Company, in excess of ten thousand dollars ($10,000) without prior written notice and approval by the OTS.

V. Surety Bond Coverage

Within sixty (60) days of the effective date of this Order, the Company shall make good faith efforts to obtain separate adequate surety bond coverage for Numerica and HomeBank or other surety bond coverage acceptable to the District Director or his designee in accordance with 12 C.F.R. 563.190.

VI. Progress Reports

A. Within thirty (30) days of the effective date of this Order, and thereafter within thirty (30) days of the end of each calendar quarter, the Company shall furnish written status reports to the OTS detailing any action which has been taken to secure compliance with this Order and the results thereof. In addition, the Company shall furnish such reports on request of the OTS. All status reports and other written responses to this Order shall be reviewed by the Board of Directors of the Company and made a part of the minutes of the board meeting.

B. Within thirty-five (35) days following each meeting of the Company's Board of Directors, the Company shall provide the District Director with a signed copy of the minutes of said board meeting.

VII. Effective Date And Effect Of Order

A. This Order shall become effective on the date set forth below.

B. Nothing in this Order shall be construed to permit any transactions in violation of the HOLA, the FDIA, or any regulations promulgated thereunder.

C. The provisions of this Order shall remain effective and enforceable except to the extent that and until such time as any provisions of this Order shall have been modified, terminated, suspended, and or set aside by the OTS.

OFFICE OF THRIFT SUPERVISION

Dated: /S/

/S/
Ralph W. Gridley
District Director