

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 20th day of September, 1991, by and between Eli Isaacson ("Director"), a Director of HomeBank, FSB, Gilford, New Hampshire (OTS No. 02664) ("HomeBank" or the "Institution"), and the Office of Thrift Supervision ("OTS") through the Regional Deputy Director for the Boston District Office ("Regional Deputy Director"). This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Director and the OTS. It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS within the meaning of 12 U.S.C. 1818(b)(1) and (i)(2).

WHEREAS, as evidenced by the Report of Examination ("ROE") dated April 16, 1991, the OTS is of the opinion that the Director has failed to comply with restrictions on loans involving affiliated persons as set forth by 12 C.F.R. 563.43(b)(5) of the OTS Regulations to which the Director is subject, thereby providing grounds for the initiation of a cease and desist proceeding against the Director; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against the Director for his failure to comply with 12 C.F.R. 563.43(b)(5) of the OTS Regulations so long as the Director complies with the provisions of this Agreement; and

WHEREAS, the Director neither admits nor denies failure to comply with 12 C.F.R. 563.43(b)(5) of the OTS Regulations but, in the interest of regulatory compliance and cooperation, is willing

to enter into this Agreement to avoid the initiation of such cease and desist proceedings against him;

NOW, THEREFORE, in consideration of the above-stated forbearance by the OTS from the initiation of cease and desist proceedings against the Director, it is agreed between the parties hereto as follows:

1. The Director shall not violate 12 C.F.R. 563.43 of the OTS Regulations.

2. Within thirty (30) days after the effective date of this Agreement, the Director shall:

(a) Pay-off the balance of Loan No. 04-075 granted May 27, 1988, by the Institution to Franconia Investment Associates, and guaranteed by the Director, without loss to the Institution. For the purposes of this paragraph, the word "pay-off" shall mean to remove the loan from the books of the Institution. For the purposes of this paragraph, the word "balance" shall include principal, any interest earned that remains uncollected, and any other funds advanced in behalf of the loan by the Institution.

(b) Inform the Regional Deputy Director in writing that the above-stated loan has been paid-off in accordance with this paragraph 2.

3. References in this Agreement to provisions of statutes and regulations shall be deemed to include references to all successor provisions of such statutes and regulations as they become applicable.

IN WITNESS THEREOF, the parties have executed this
Agreement.

OFFICE OF THRIFT SUPERVISION

/S/
Eli Isaacson
Director
HomeBank, FSB

By

/S/
Ralph W. Gridley
Regional Deputy Director