

MAINE BUREAU OF FINANCIAL INSTITUTIONS
ORDER APPROVING APPLICATION TO ESTABLISH A UNIVERSAL BANK
TO BE KNOWN AS RIVERGREEN BANK

Eight individuals filed an application to organize a universal bank, pursuant to 9-B M.R.S.A. Chapter 31, to be known as Rivergreen Bank ("Rivergreen") and to be located at 36 Portland Road (U.S. Route 1), Kennebunk, Maine. Prior to filing the application, the eight individuals formed Cape Arundel Financial Group, Inc. in order to raise the funds needed to organize Rivergreen.

The application was accepted for processing on July 2, 2002. Public notice, as required by Title 9-B M.R.S.A. 252.2(B) and 312.3, was provided by publication and mail to interested parties affording them an opportunity to submit written comments or request a hearing. The Bureau received no comments during the public comment period ending August 7, 2002.

A Principal Bank Examiner of the Maine Bureau of Financial Institutions conducted an investigation of this transaction. All evidence and pertinent material which were considered by the Examiner were also considered by the Superintendent in reaching his decision.

Three of the organizers are experienced executive bank officers who will form the executive management team of Rivergreen. Two other organizers have extensive bank experience and all organizers are area residents. The proposed initial board of directors consists of 14 individuals, with the proposed President/CEO as the only officer on the board. The proposed board is comprised of experienced, local businesspeople, some of whom have extensive experience in the financial services industry. The organizers and proposed directors will purchase approximately 25% of the initial common stock. The remainder of the stock is being offered to investors pursuant to an Offering Memorandum prepared by the organizers.

Applicant proposes minimum initial net capital of \$7.2 million and projects operating losses for the first two years of operations. Profitability is projected for the third year of operations as assets reach \$60 million.

The February 2002 acquisition of Ocean National Bank by the Vermont-based Chittenden Corporation prompted the interest in a de novo commercial bank in the Kennebunk area. The demographic and economic data for the greater Kennebunk area, however, has supplanted this emotional reaction and establishes that there is sufficient business to support another financial institution. The organizers have developed a thorough, but basic, operating plan that focuses on small and medium-sized businesses, professionals and individuals. Rivergreen will supplement its direct product and service offerings through the use of strategic alliances with third-party, independent financial

service providers. Their strategy emphasizes high-quality, tailored financial products and services delivered in a highly customized and personalized manner, yet making extensive use of technology. Rivergreen will be the only independently owned and operated commercial bank in its primary service area, which consists of Kennebunk, Kennebunkport, Arundel, Wells and Ogunquit.

The organizers and proposed management are experienced and have developed a sound business plan, consistent with relevant demographic and economic data, that should enhance public convenience and needs in the greater Kennebunk area. Accordingly, the application to establish a universal bank with the name "Rivergreen Bank" is approved. The approval is subject to the conditions listed below, as well as the Standard Conditions included in the approval transmittal letter to the organizers:

1. Rivergreen's initial minimum equity capital, before offering and other organizational and pre-opening expenses, shall be no less than \$7,500,000.
2. For the first three years of operations, Tier 1 capital (as defined in Regulation 27) shall not be less than 8.0%.
3. If Rivergreen fails to maintain Tier 1 capital in the minimum amount specified above in Condition #2, Rivergreen shall be deemed to have inadequate capital and the Bureau shall have the authority to take any action authorized by Regulation 27.
4. Rivergreen shall not declare or pay any dividends, without the prior written approval of the Superintendent, until all pre-opening and post-opening losses have been recouped.
5. Rivergreen shall not implement any material change or deviation from its operating plan during the first two years of operation without the prior written approval of the Bureau.

The transaction shall be completed within one year of the effective date of this Order, unless a written extension is granted by the Superintendent. Any person aggrieved by this Order shall be entitled to a judicial review of the Order in accordance with the Maine Administrative Procedure Act, Title 5, Chapter 375, subchapter VII.

By order of the Superintendent, effective October 23, 2002.

/s/ Howard R. Gray, Jr.
Superintendent
Gardiner, Maine
September 23, 2002