

GLOUCESTER INVESTMENT CORPORATION
Massachusetts

Bank Holding Company: BANKNORTH GROUP, INC.
Portland, Maine

Granted Permission: November 1999

Initial Capitalization: \$314,000

Description: Gloucester Investment Corporation (GIC) is jointly owned by 13 entities that include various banking institutions. Banknorth Group, Inc. (BG) owns 15.9 percent of this company. The purpose of GIC is (i) to provide capital and community support to promote industrial and commercial investment in Gloucester in order to create and retain jobs; (ii) to promote economic revitalization and development in downtown Gloucester, Gloucester Harbor and those portions of the city targeted for redevelopment by federal, state or local government; (iii) to reduce unemployment in order to benefit low-and moderate-income areas and small businesses with the City of Gloucester; and (iv) to facilitate community development initiatives and investment within the City of Gloucester. GIC fulfills these objectives by providing loans to qualifying small businesses and administers the Gloucester Revolving Loan Fund, an affiliate of GIC, formed to administer fishery-related aid and to make loans to promote commercial revitalization in the City of Gloucester.

Contact: John Fridlington
Banknorth Group, Inc.
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Portland, Maine
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MERCHANTS PROPERTIES, INC.
Vermont

Bank Holding Company: MERCHANTS BANCSHARES, INC.
Burlington, Vermont

Granted Permission: August 1988; June 1989

Initial Capitalization: \$100,000

Description: Merchants Properties, Inc. (MPI), a wholly-owned subsidiary of Merchants Bancshares, Inc., makes debt and equity investments in low-income housing projects throughout Vermont, primarily through limited partnerships. MPI has made investments in two such projects in Vermont.

In 1988, MPI invested as a general partner in the Enosburg Housing Partnership, which constructed a 24-unit rental housing project in Enosburg Falls, Vermont. Financing was provided by the Farmers Home Administration's Rural Rental Housing Program.

In 1989, MPI received approval to invest as a general partner in a limited partnership, Winchester Associates, to develop 166 units of low- and moderate-income rental housing in Colchester, Vermont. The project was located on land leased to the partnership by St. Michael's College. The general partnership interest was subsequently sold to Housing Vermont.

Contact: Joseph L. Boutin
President
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FLEET COMMUNITY DEVELOPMENT CORPORATION
Providence, Rhode Island

Bank Holding Company: FLEET BOSTON FINANCIAL CORPORATION
Boston, Massachusetts

Granted Permission: November 1994

Initial Capitalization: \$25,000,000

Description: Fleet Community Development Corporation (Fleet CDC) supports the community development activities of Fleet Financial Group's subsidiary banks by providing non-traditional financing to help promote the long-term growth and stability of the banks' communities in the Northeast. The focus of the Fleet CDC is to assist small businesses located in low-to-moderate income census tracts, with an emphasis on minority- and women-owned businesses.

In defining the market niche, the Fleet CDC works closely with community development financial intermediaries and community-based organizations, an approach that has proven effective in the market. Partnering relationships have been formed with 15 community-based organizations. Fleet CDC maintains contact with these organizations to serve the non-traditional small business borrower by providing counseling, underwriting and loan servicing. Loans may range from \$1,500 to \$500,000, with most loans ranging between \$5,000 and \$150,000. Exceptions are made to traditional bank underwriting criteria with respect to financial ratios, credit history and owner's investment.

The Fleet CDC has closed or committed funds in all of the New England states and New York and New Jersey.

Contact: Martin J. Geitz
President
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