



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING
333 MARKET STREET, 16TH FLOOR
HARRISBURG, PENNSYLVANIA 17101-2290

FAX (717) 787-8773

(717) 783-2253

March 21, 1997

VIA FAX AND MAIL

Re: Application Submitted on Behalf of () for the
Right to Solicit and Acquire Shareholder Proxies or
Pursuant to
the Provisions of section 112 of the Banking Code of 1965

Dear

The Department of Banking (the "Department") has completed its review of the above-referenced application. The application is hereby approved pursuant to the provisions of Section 112 of the Pennsylvania Banking Code of 1965, subject to the conditions stated herein.

The Department's approval is limited to ("Applicant") exercising proxies to vote all of the shares of common stock of (the "Company"), which by proxy he is entitled to vote at the annual meeting of the shareholders of the Company to be held on , or any adjournment or postponement of that meeting whether such adjourned or postponed meeting is held in 1997 or thereafter. Notwithstanding the foregoing, right to vote the proxies may not be exercised beyond one (1) year from the date of this approval unless, in the meantime, a request for an extension of time has been approved by the Department.

A Section 112 application filed in the context of a proxy fight presents unique circumstances requiring Section 112 to be implemented in a manner appropriate to a proxy fight. In a typical proxy fight, the various persons soliciting proxies make contrary assertions to bolster their own proxy solicitations in order to convince the shareholders to assign the proxy to them. Section

112(g) of the Banking Code prohibits misleading statements from being made by an applicant for Section 112 approval. In the case of a proxy fight, the Department of Banking neither confirms nor denies the accuracy of financial data or any related assertions made by the applicant in his Section 112 application. However, the Department continues to require that the applicant, to the best of his knowledge, information, and belief, comply with Section 112(g) of the Banking Code. If any statement that the applicant plans to make in the proxy solicitation is concluded by the applicant to be misleading or untrue as provided in Section 112(g), then the applicant must amend such statement in order to comply with Section 112(g). Furthermore, in the circumstances of a Section 112 application filed in a proxy fight, the Department shall not comment on the verity of financial data and related assertions proposed to be made by a Section 112 applicant due to reasons including but not necessarily limited to separate statutory confidentiality requirements stated in the Department of Banking Code. Again, an applicant is required to comply with Section 112(g) by making statements in his proxy solicitation and related materials that are, in the light of the circumstances in which they are made, not misleading.

Regarding compliance with Section 112(g), a condition of this approval is that Applicant shall provide an affidavit to this Department prior to mailing any proxy solicitation to shareholders of the Company. The affidavit shall be signed by Applicant, subject to the penalties of 18 Pa.C.S. § 4904, related to unsworn falsification to authorities, and shall be duly notarized by a notary public. The affidavit shall state that Applicant is fully knowledgeable of the contents of the proxy solicitation materials. The affidavit shall also state that to the best of Applicant's knowledge, information and belief, as a factual matter, that the proxy solicitation materials do not directly or indirectly make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances in which they were made, not misleading in connection with Applicant's Section 112 application and all related proxy solicitation materials. In the alternative, a legal opinion from Applicant's counsel stating that the proxy solicitation materials comply with Section 112(g) of the Banking Code will suffice. The form and contents of the affidavit or legal opinion provided to the Department must be acceptable to the Department in order for Applicant to comply with this condition of the Section 112 application approval.

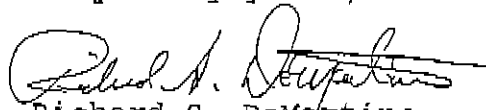
This Section 112 approval letter neither states nor implies a conclusion regarding whether federal or state securities laws are complied with or violated by Applicant's proposed proxy solicitation materials.

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is hereby instructed to notify the Department of his exercise of the proxies at the annual meeting of the shareholders of the Company. Such notification should be sent to John K. Black, Manager, Corporate Applications Division, Pennsylvania Department of Banking, 333 Market Street, 16th Floor, Harrisburg, Pennsylvania 17101-2290.

Very truly yours,


Richard S. DeMartino
Director - Supervision
and Enforcement