

CERTIFICATE OF MERGER

The undersigned officers of Home Loan and Investment Bank, F.S.B. (the "Bank") hereby attest that:

1. At a meeting of the Board of Directors of Bank held on December 21, 1994, at the office of Bank, Two Altieri Way, Warwick, Rhode Island, duly called and at which a quorum was present throughout, a Plan of Merger between Bank and Home Loan and Investment Association ("Association") was agreed upon.
2. The vote in favor of adoption of the Plan of Merger at said meeting was three Directors in favor and zero Directors against.
3. A copy of the resolution of the Board by which the Plan of Merger was approved is attached hereto as Exhibit A.
4. A meeting of the Board of the Shareholder of Bank was held on October 27, 1994, at the offices of Bank at Warwick, Rhode Island.
5. The vote in favor of adoption of the Plan of Merger at said shareholders meeting was one vote in favor and zero votes against.

The undersigned officers of Home Loan and Investment Association (the "Association") hereby attest that:

1. At a meeting of the Board of Directors of Association held on October 27, 1994, at the office of Association, Two Altieri Way, Warwick, Rhode Island, duly called and at which a quorum was present throughout, a Plan of Merger between Association and a to-be-formed affiliate, Home Loan and Investment Bank, F.S.B. ("Bank") was agreed upon.
2. The vote in favor of adoption of the Plan of Merger at said meeting was five Directors in favor and zero Directors against.
3. A copy of the resolution of the Board by which the Plan of Merger was approved is attached hereto as Exhibit A.

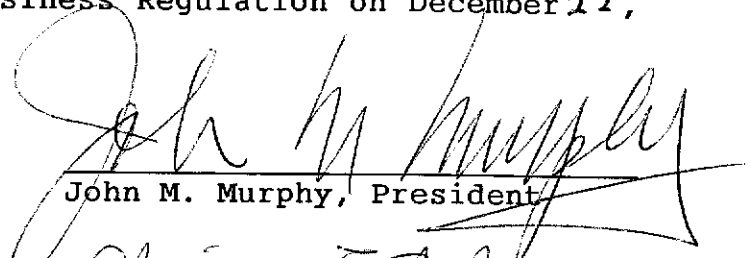
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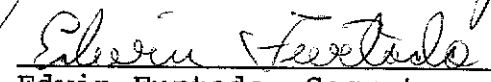
By J.P.#9

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4. A meeting of the Board of the Shareholder of Association was held on October 27, 1994, at the offices of Association at Warwick, Rhode Island.
5. The vote in favor of adoption of the Plan of Merger at said shareholders meeting was one vote in favor and zero votes against.
6. Approval of the merger of Association and Bank was approved by the R.I. Director of Business Regulation on December 17, 1994.

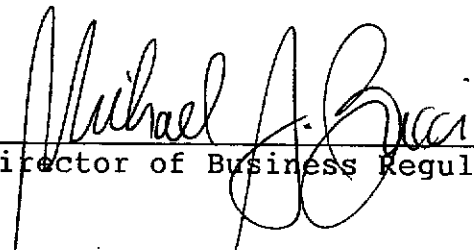


John M. Murphy, President



Edwin Furtado, Secretary

December 21, 1994

APPROVED: 

Director of Business Regulation


DATE: 12-22-94

SECRETARY'S CERTIFICATE

I, EDWIN FURTADO, Secretary of HOME LOAN AND INVESTMENT BANK, F.S.B. hereby certify that on December 21, 1994 the following votes were duly adopted by said Bank and that the same have not been rescinded and remain in full force and effect on the date hereof:

VOTED: That the merger of Home Loan and Investment Association with and into Home Loan and Investment Bank, F.S.B. be approved in accordance with the Agreement and Plan of Merger, a copy of which is attached to these minutes and it is further

VOTED: That the officers of Home Loan and Investment Bank, F.S.B. be and they hereby are severally authorized to take whatever actions are necessary or desirable to carry out the Agreement and Plan of Merger and to comply fully with the provisions of §19-20-28 of the General Laws of the State of Rhode Island which provides for the merger of a loan and investment company organized under the laws of the State of Rhode Island with a Federal Savings Bank.



Edwin Furtado, Secretary

December 21, 1994

SECRETARY'S CERTIFICATE

I, EDWIN FURTADO, Secretary of HOME LOAN AND INVESTMENT ASSOCIATION, hereby certify that on October 27, 1994 the following votes were duly adopted by said Association and that the same have not been rescinded and remain in full force and effect on the date hereof:

WHEREAS, Home Loan Financial Corporation ("Corporation"), the sole shareholder of Home Loan and Investment Association ("Association"), a Rhode Island chartered loan and investment company, is exempt from the registration requirements under the federal Bank Holding Company Act of 1956, as amended, provided it confines its activities and the activities of its subsidiaries to those engaged in on March 5, 1987; and

WHEREAS, from a strategic business point of view, Corporation must have the ability to expand the activities of its subsidiaries beyond those engaged in on March 5, 1987; and

WHEREAS, it is important that Association have a banking charter which permits it to engage in a broader range of activities, including certain interstate lending activities; and

WHEREAS, a federal thrift charter has broad preemptive powers over state interstate restrictions; and

WHEREAS, the type of business engaged in by Association involves consumer and community oriented lending activities which meet the Qualified Thrift Lender Test mandated under such a charter.

NOW, THEREFORE, BE IT RESOLVED THAT:

Association will enter into an Agreement and Plan of Reorganization with Corporation, its parent corporation, pursuant to which a de novo federally chartered thrift will be established by filing with the Federal Office of Thrift Supervision an Application to establish a thrift institution and a simultaneous Application will be filed to

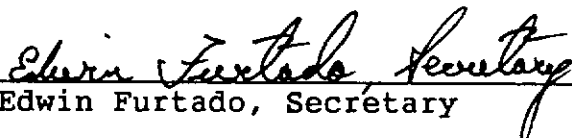
merge Association into the newly established federally chartered thrift and then to register Corporation as a unitary thrift holding company, and it is further

VOTED: That the officers of Association be and they hereby are severally authorized to take any and all actions as they deem necessary or desirable in order to accomplish the conversion of the association from a loan and investment company chartered under the laws of the State of Rhode Island to a federally chartered thrift regulated by the federal Office of Thrift Supervision, and it is further

VOTED: That the merger of Association with and into the newly established federally chartered thrift will take place in accordance with the provisions of §19-20-28 of the General Laws of the State of Rhode Island which provides for the merger of a Loan and Investment Company organized under the laws of the State of Rhode Island with a savings bank, subject to the approval of the Director of the Department of Business Regulation of the State of Rhode Island, and it is further

VOTED: That the officers of Association be and they hereby are severally authorized to take whatever actions are necessary or desirable to carry out the Agreement and Plan of Reorganization to convert the Association to a federally chartered thrift and to register Corporation as a unitary thrift holding company.

December 5, 1994


Edwin Furtado, Secretary

AGREEMENT AND PLAN OF MERGER

between

HOME LOAN AND INVESTMENT BANK, F.S.B.

and

HOME LOAN & INVESTMENT ASSOCIATION

Dated as of December 21, 1994

RECEIVED
FEB 1 1995
FEDERAL RESERVE BANK
ATLANTA, GA

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT OF MERGER is made and entered into as of December 21, 1994 between Home Loan and Investment Bank, F.S.B., a newly chartered federal savings institution ("Thrift") and Home Loan & Investment Association, a Rhode Island loan & investment company, ("Bank"). (Thrift and Bank are hereinafter sometimes individually called a "Constituent Corporation" and collectively called the "Constituent Corporations").

RECITALS

Thrift is a newly chartered federal savings bank duly organized and chartered by the Office of Thrift Supervision of the U.S. Department of the Treasury. The authorized capital stock of Thrift consists of 1,000 shares of Common Stock, \$100 par value (the "Thrift Common Stock"), of which 920 shares are issued and outstanding.

Bank is a loan and investment company, duly organized, validly existing and in good standing under the laws of the State of Rhode Island. The authorized capital stock of Bank consists of 1,000 shares of Common Stock, \$100 par value ("Bank Common Stock"), of which 920 shares are issued and outstanding and no shares are held in its Treasury.

Home Loan Financial Corporation and Bank have entered into an Agreement and Plan of Reorganization dated November 17, 1994

(the "Agreement"), setting forth certain representations, warranties and agreements in connection with the transactions therein and herein contemplated, which contemplates the merger of Bank with and into Thrift (the "Merger") in accordance with this Agreement and Plan of Merger ("Merger Agreement").

The Boards of Directors of each of Thrift and Bank deem the Merger advisable and in the best interests of each corporation and its stockholder. The Boards of Directors of each of Thrift and Bank, by resolutions duly adopted, have approved the Agreement and this Merger Agreement and have directed that this Merger Agreement, and authorization for the transactions contemplated hereby, be submitted to the stockholders of Thrift and Bank for adoption and approval.

At the Effective Time (as defined in Section 1.01 below) shares of Bank Common Stock shall be converted into shares of Thrift Common Stock as provided herein.

In consideration of the premises and the mutual covenants and agreements herein contained and subject to the terms and conditions of the Agreement, the parties hereto hereby covenant and agree as follows:

ARTICLE I

1.01 Merger of Bank into Thrift. Bank shall be merged with and into Thrift on the date and at the time to be specified in the Articles of Merger to be filed with the Secretary of State of the State of Rhode Island pursuant to

§19-20-28 of the General Laws of Rhode Island providing for the merger of a loan & investment company organized under the provisions of Chapter 20 of Title XIX of the General Laws of Rhode Island into a savings bank, subject to the approval of the Rhode Island Director of Business Regulation and to compliance with each of the provisions contained in §19-20-28 of the General Laws of Rhode Island. The separate corporate existence of Bank shall thereupon cease and Thrift shall be the surviving corporation and the separate corporate existence of Thrift with all of its purposes, objects, rights, privileges, powers and franchises shall continue unaffected and unimpaired by the Merger. The Headquarters of Thrift shall be 244 Weybosset Street, Providence, Rhode Island with a branch office at 40 Airport Road, Warwick, Rhode Island and a loan production and administration office at Two Altieri Way, Warwick, Rhode Island.

1.02 Effect of the Merger. At the Effective Time, all assets of every description and all of the estate, property, rights, privileges, powers and franchises of the Constituent Corporations and all of their property, real, personal and mixed, and all of the debts due on whatever account to either of them, as well as all stock subscriptions and other choses and action belonging to either of them, shall be transferred to and vested in Thrift, without further act or deed, and all claims, demands, property and other interests shall be the

property of Thrift and the title to all real estate vested in either of the Constituent Corporations shall not revert or be in any way impaired by reason of the Merger, but shall be vested in Thrift. The rights of creditors of either of the Constituent Corporations shall not in any manner be impaired, nor shall any liability or obligation, including taxes due or to become due, or any claim or demand and any cause existing against either of the Constituent Corporations, or any stockholder, director, or officer thereof, be released or impaired by the Merger, but Thrift shall be deemed to have assumed and shall be liable for, all liabilities and obligations of each of the Constituent Corporations in the same manner and to the same extent as if Thrift had itself incurred such liabilities or obligations.

Bank and its proper officers and directors shall and will do all acts and things as may be necessary or proper to vest, perfect or confirm title to such property or rights in Thrift and otherwise to carry out the purposes of this Merger Agreement.

ARTICLE II

2.01 Surviving Corporation. As provided hereinabove, the surviving corporation shall be Thrift.

2.02 Capitalization. The authorized shares of capital stock of Thrift as of the Effective Time shall be 1,000 shares of Common Stock, \$100 par value.

2.03 Articles of Incorporation. As of the Effective Time, the Articles of Incorporation of Thrift as in effect immediately prior to the Effective Time shall be the Articles of Incorporation of Thrift until such time as they are amended under federal law.

2.04 By-Laws. The By-Laws of Thrift as they exist immediately prior to the Effective Time shall be the By-Laws of Thrift until later amended pursuant to federal law.

2.05 Separate Existence. At the Effective Time, the separate existence of Bank shall cease, and it shall be merged into and with Thrift, together becoming the surviving corporation in accordance with the provisions of this Agreement.

2.06 Directors and Officers. The Directors and Officers of Bank on the effective date of the merger shall continue as the Directors and Officers of Thrift following the merger for the full and unexpired terms of their offices and until their successors have been elected and appointed. The current number of Directors is five and they are elected annually. Their names and residence addresses are as follows:

John M. Murphy
1340 High Hawk Road
East Greenwich, RI 02818

Edwin Furtado
40 Joseph Court
Warwick, RI 02886

Philip F. Addison, Jr.
131 Camp Street
Providence, RI 02906

Michael E. Kelly
61 Rawson Road
Cumberland, RI 02864

Joseph Scanlon
29 Fir Avenue
Tiverton, RI 02828

ARTICLE III

3.01 Manner and Basis of Converting Shares. At the Effective Time:

(a) each share of Bank Common Stock which is outstanding immediately prior to the Effective Time excluding (i) any shares held by Bank as Treasury stock, all of which shall be cancelled and extinguished as of the Effective Time shall, by virtue of the Merger be converted into one (1) share of Thrift Common Stock.

ARTICLE IV

4.01 Counterparts. This Agreement of Merger may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one Agreement.

4.02 Governing Law. This Agreement of Merger shall be governed in all respects, including, but not limited to, validity, interpretation, effect and performance, by the laws of the United States and the State of Rhode Island.

4.03 Amendment. Subject to applicable law, this Agreement of Merger may be amended, modified or supplemented only by the written agreement of Thrift and Bank, at any time prior to the Effective Time.

4.04 Termination. This Agreement of Merger shall terminate upon termination of the Agreement.

IN WITNESS WHEREOF, Thrift and Bank have caused this Agreement of Merger to be executed on their behalf by their respective officers thereunto duly authorized, and their respective corporate seals to be affixed hereto, all as of the date first above written.

HOME LOAN AND INVESTMENT
BANK, F.S.B.

By: 

John M. Murphy
Chairman and CEO

HOME LOAN & INVESTMENT
ASSOCIATION

By: 

John M. Murphy
Chairman and CEO