



Comptroller of the Currency
Administrator of National Banks

Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

Conditional Approval #466
May 2001

April 27, 2001

Terry E. Forcht
200 South Kentucky Avenue
P.O. Drawer 1450
Corbin, Kentucky 40701

Subject: Authorization to Open Boone National Bank
(OCC Control No: 00-CE-01-011)

Dear Mr. Forcht:

The Comptroller of the Currency (OCC) has found that you have met all requirements it imposed and completed all steps necessary to commence the business of banking.

You are authorized to open **Boone National Bank**, Burlington, Kentucky on April 30, 2001. We will forward you a Charter Certificate under separate cover.

This authorization is subject to the condition that the bank shall provide the OCC's Louisville Field Office at least thirty (30) days prior notice of any significant deviation or change from the proposed operating plan during the bank's first three years of operation. The condition is enforceable under 12 U.S.C. § 1818. The bank must also provide a copy of such notice to the FDIC's Memphis Regional Supervisory Office.

The Bank must notify all potential vendors in writing of the OCC's examination and regulatory authority under 12 U.S.C. § 1867(c). All final vendor contracts must stipulate that the performance of services provided by the vendors to the Bank is subject to the OCC's examination and regulatory authority. The above-listed conditions of this approval shall be deemed to be "conditions imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818(b)(1).

You are reminded that several of the standard requirements contained in the preliminary conditional approval letter dated September 30, 2000 will continue to apply once the bank opens and by opening, you

agree to subject your association to these conditions of operation. Some of the requirements bear reiteration here:

1. Regardless of the association's FDIC insurance status, the association is subject to the Change in Bank Control Act (12 U.S.C. 1817(j)) by virtue of its national bank charter.
2. The board of directors is responsible for regular review and update of policies and procedures and for assuring ongoing compliance with them. This includes maintaining an internal control system that ensures compliance with the currency reporting and recordkeeping requirements of the Bank Secrecy Act (BSA). The board must train its personnel in BSA procedures and designate one person or a group to monitor day-to-day compliance.

Following the commencement of operations, bank management is urged to become familiar with the requirements of the Securities Exchange Act of 1934 and Part 11 of the Comptroller's regulations relative to the registration of the bank's equity securities and related periodic reports. These requirements will be applicable to your bank when the number of shareholders of record is maintained at 500 or more. Such registration may be subsequently terminated pursuant to the act, only when the number of shareholders of record is reduced to fewer than 300.

This approval, and activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

Should you have any questions, please contact National Bank Examiner John Brown at (502) 429-3422, who will be responsible for the ongoing supervision of your institution.

Sincerely,

-signed-

David J. Rogers
National Bank Examiner
Central District Office