



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

February 10, 2004

Corporate Decision #2004-6
March 2004

Mr. Anthony Costa
Empire State Bank, N.A. (In Organization)
2044 Route 32, Suite 6
Modena, New York 12548

Re: Application by Empire State Bank, N.A. (In Organization), Newburgh, New York,
to establish a branch at 275 Main Street, New Paltz, Ulster County, New York
Application Control Number: 2003-NE-05-0105

Dear Mr. Costa:

This is to inform you that on February 10, 2004, the Office of the Comptroller of the Currency (“OCC”) approved your application to establish a branch at 275 Main Street, New Paltz, Ulster County, New York.

The branch will be established in an existing building, known as the Lent House, which is eligible for listing in the National Register of Historic Places. The New York State Historic Preservation Office and the OCC agree that the bank’s plans for establishing the branch would have an adverse effect on the property. Accordingly, a Memorandum of Agreement (“MOA”) was developed to mitigate the adverse effects of the proposal. A signed original copy of the MOA is attached.

This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the bank’s representatives. This approval is subject to the following pre-opening requirement:

In establishing a branch at 275 Main Street, New Paltz, Ulster County, New York, Empire State Bank, N.A. shall carry out the measures listed under the Stipulations section of the MOA entered into by the bank, the New York State Historic Preservation Office, and the OCC. The measures stipulated in the MOA must be implemented before the OCC will authorize the branch to open.

The bank must advise the OCC’s Northeastern District Licensing unit in advance of the branch opening date so that the OCC may issue the necessary authorization letter. Your letter should

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include the exact street address and the popular name by which the branch will be known.

Also, please be advised that if the branch is not opened within 18 months from the approval date, the approval will automatically terminate unless the OCC grants an extension.

If at sometime in the future the bank decides to close this branch, it must file a 90-day advance notice of proposed branch closing with the Northeastern District Licensing unit pursuant to 12 U.S.C. 1831r-1. Following the closing of the branch office, a final closing notice should be submitted to that office.

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

A separate letter is enclosed requesting your opinion on how we handled your application. We would appreciate your response so we may improve our service.

Please be advised that the OCC is now accepting branch and relocation applications in an electronic format via National BankNet. The new service is called e-Corp. E-Corp allows you to log on to National BankNet, pull up a branch/relocation application form, and fill out the application, with easy-to-follow instructions and guidance through drop-down menus. Enclosed is a brochure describing our new service, including instructions on how to sign up for National BankNet if you are not already a member (no charge for enrollment in the program). If you are already enrolled, you know the many benefits of this rich information source. And now you can submit your branch/relocation applications electronically - easy, convenient and a real time-saver.

If you have any questions regarding this letter, please contact Kerry Rice, Licensing Analyst, in our Northeastern District Office at (212) 790-4055 or me at (202) 874-5060. In any correspondence regarding this application, please reference the application control number.

Sincerely,

/s/ Robert A. Sihler

Robert A. Sihler
Senior Licensing Analyst

Attachment: Memorandum of Agreement
Enclosure: Survey