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**Comptroller of the Currency  
Administrator of National Banks**

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Licensing Department  
250 E Street, S.W.  
Washington, D.C. 20219

May 24, 2010

**Conditional Approval #957  
June 2010**

Vidal Jones  
President  
The First National Bank of Kemp  
100 State Highway 274 South  
Kemp, TX 75143

Re: Dividend-in Kind Application No. 2010 SO 12 0059  
The First National Bank of Kemp, Kemp, Texas, Charter No. 5932

Dear Mr. Jones:

The Office of the Comptroller of the Currency (OCC) conditionally approves The First National Bank of Kemp's dividend-in-kind proposal of 100% of the stock of Kemp Real Estate Holdings, Inc. (valued at \$395,000) as outlined in your letter of March 24, 2010.

This approval is subject to the following condition:

Management must complete the plan detailed in Christian Otteson's March 3, 2010 letter to OCC Southern District Counsel Randall Ryskamp concerning bank premises.

The condition of this approval is a condition "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application(s) and by the bank's representatives.

The change in capital should be completed within one year of the date of this letter.

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 law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

All correspondence regarding this application should reference the application control number. If you have any questions, call me or Joseph T. Burbridge, Senior Licensing Analyst at (214) 720-7052 or e-mail [joseph.burbridge@occ.treas.gov](mailto:joseph.burbridge@occ.treas.gov).

Sincerely,

*Lawrence E. Beard*

Lawrence E. Beard  
Deputy Comptroller, Licensing