



Comptroller of the Currency
Administrator of National Banks

Western District Office
50 Fremont Street, Suite 3900
San Francisco, California 94105
(415) 545-5900; Fax (415) 545-5925

Conditional Approval #388
May 2000

April 27, 2000

Steve Halverson, Spokesperson
Canyon Community Bank, National Association (Organizing)
655 W. Vistoso Highlands Drive #203
Oro Valley, Arizona 85737

Re: New Bank Charter - Canyon Community Bank, National Association (Proposed)
Tucson, Arizona, Control Number: 2000-WE-01-003

Dear Mr. Halverson:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Canyon Community Bank, National Association. On April 26, 2000, after a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary approval. The bank also may offer credit life, health, and accident insurance in accordance with 12 CFR 2.

This approval is subject to the condition that the bank shall provide Assistant Deputy Comptroller Rick Schobert at the Phoenix 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. This condition is enforceable under 12 USC §1818. The Phoenix Field Office address is 9633 S. 48th Street, Suite 265, Phoenix, Arizona 85044, and its phone number is (480) 893-1339. The bank must also provide a copy of such notice to the Federal Deposit Insurance Corporation's (FDIC) San Francisco Regional Office.

The bank proposes to raise \$5,000,000 to \$6,000,000 in capital prior to commencing operations. You are reminded that, pursuant to 12 CFR § 5.20(I)(5)(iii), this preliminary approval expires if the bank does not raise the capital funds within 12 months from the date of this letter. The preliminary approval also will expire if the bank has not commenced business within 18 months from the date of this letter.

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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 proposed bank's representatives. We also made our decision to grant preliminary approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and obtain FDIC insurance.

Please refer to the "Corporate Organization" booklet (enclosed) in the Comptroller's Corporate Manual for the instructions on organizing your bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

The OCC poses no objection to Steve Halverson serving as President, Chief Executive Officer and Director, Charles Luhtala serving as Chief Credit Officer, and Wesley Veach serving as Cashier. The OCC also poses no objection to the following individuals serving as Directors as proposed in the application:

E. Michael Carlier, Jr.,
Dennis D. Cummings,
Jodi L. Grassmeyer,

Pamela J. McNair-Wingate,
Raymond W. Novak, M.D., and
Richard K. Underwood.

We have not yet completed our background investigation on Gary Gibson. When we complete our investigation, we will inform you of our decision under separate cover.

Additional executive officers and directors are subject to the OCC's prior review and clearance. You are also reminded that for a period of two years after the bank has opened for business, the OCC must review and have no objection to any new executive officer or director prior to that person assuming such position.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

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

You should direct any questions you have concerning this preliminary approval to Senior Bank Structure Analyst Maeve O'Meara at (415) 545-5923.

Very truly yours,

-signed-

James A. Bundy
Licensing Manager

Enclosures: “Corporate Organization” Booklet
 Minimum Policies and Procedures
 Standard Requirements