



Comptroller of the Currency
Administrator of National Banks

Southeastern District
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, NE
Atlanta, GA 30303

Conditional Approval #463
May 2001

April 6, 2001

Mr. Waymon L. Hickman
Chairman & CEO
First Farmers and Merchants National Bank of Columbia
P.O. Box 1148
Columbia, Tennessee 38402

Re: Merger of Peoples and Union Bank, Lewisburg, TN, into First Farmers and Merchants
National Bank of Columbia, Columbia, TN
Control No. 2000-SE-02-0043

Dear Mr. Hickman:

This is to inform you that the Comptroller of the Currency (OCC) has conditionally approved the proposal to merge Peoples and Union Bank, Lewisburg, Tennessee, into First Farmers and Merchants National Bank of Columbia, Columbia, Tennessee. This conditional approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and the merger agreement and by the bank's representatives.

This merger is approved on the condition that First Farmers and Merchants National Bank of Columbia comply with the agreement it entered into with the Department of Justice, dated March 22, 2001, concerning sales of branches, should they be closed, and the suspension of certain employees' non-compete clauses. This condition of the preliminary approval is a condition "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. As such, the condition is enforceable under 12 U.S.C. 1818.

If the merger is not consummated within one year from this date, the approval shall automatically terminate unless the OCC has granted an extension.

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The district office must be advised in writing at least 10 days in advance of the desired effective date for the merger so that the OCC may issue the necessary certification letter. The effective date must be:

- a. After the expiration of the period during which the DOJ may file an injunction to stop the merger, i.e., at least 15 days after the date of this letter for applications processed under normal procedures, and,
- b. On or after the date of any other required regulatory approval.

We will not issue a letter certifying consummation of the transaction until we have received:

1. A Secretary's Certificate for each applicant institution, certifying that a majority of the board of directors has agreed to the proposed merger,
2. An executed merger agreement with articles of association for the resulting bank attached, and,
3. A Secretary's Certificate from each institution, certifying that the shareholders approvals have been obtained.

If you have any questions, please contact Licensing Analyst Dennis Oswald at (404) 588-4525.

Sincerely,

-signed-

John O. Stein
Licensing Manager