



Comptroller of the Currency
Administrator of National Banks

Western District Office
1225 17th Street, Suite 300
Denver, Colorado 80202
720-475-7650
Fax: 301-333-7010

Conditional Approval #809
July 2007

June 21, 2007

Ms. Michelle D. Whelehan
Chief Financial Officer
Borrego Springs Bank, National Association
7777 Alvarado Road, Suite 515
La Mesa, CA 91941

Re: Application for Holding Company Reorganization Borrego Springs Bank, N.A.
Borrego Springs, California Charter # 23162 OCC Control Number 2007 WE 12 0084

Dear Ms. Whelehan:

The Comptroller of the Currency (OCC) has conditionally approved the application to reorganize Borrego Springs Bank, N.A., Borrego Springs, California to become a subsidiary of a bank holding company. This approval is granted based on a thorough review of all information available, including commitments and representations made in the application and those of your representatives.

This approval is conditioned on continued adherence by The Viejas (Baron Long) Group of the Capitan Grande Band of the Diegueno Mission Indians of the Viejas Reservation (Tribe) with its Commitment Letter with the OCC dated December 10, 1996, which addresses, among other things, Federal banking agency jurisdiction over and the applicability of Federal banking laws to the Tribe and activities and transactions between the Tribe and the Bank, and which includes an irrevocable waiver of sovereign immunity by the Tribe and its affiliates.

Please be advised that the above condition shall be deemed to be “a condition imposed in writing by the agency in connection with the granting of any application or other request” within the meaning of 12 USC 1818(b)(1). As such, the condition is enforceable under 12 USC 1818.

The Licensing division of the Western district office must be advised in writing in advance of the desired effective date of the reorganization transaction so it may issue the necessary certification letter. The OCC will issue a letter certifying consummation of the transaction when we receive:

- An executed Plan of Reorganization Agreement.
- Evidence that the Board of Governors of the Federal Reserve System approved the transaction.

If the transaction is not consummated within one year from this approval date, this approval shall automatically terminate, unless the OCC grants an extension of the time period.

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. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

We have enclosed a letter requesting your feedback on how we handled your application. We would appreciate your response to improve our service.

If you have any questions, please contact Licensing Specialist Lois Archuletta at (720) 475-7650 or by email at lois.archuletta@occ.treas.gov.

Sincerely,

/s/

Ellen Tanner Shepherd
Director for District Licensing

Enclosure: Survey