



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

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

May 24, 2010

**Conditional Approval #956
June 2010**

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

Re: Operating Subsidiary Application No. 2010 SO 08 0013
The First National Bank of Kemp, Kemp, Texas, Charter No. 5932

Dear Mr. Jones:

This is in response to your operating subsidiary application, filed on behalf of The First National Bank of Kemp (the bank) on March 24, 2010. The bank proposes to establish Kemp Real Estate Holdings, Inc. as an operating subsidiary (the subsidiary) to engage in certain activities. Based on a thorough review of all information available, including the representations and commitments made in the application and by the bank's representatives, the Office of the Comptroller of the Currency (OCC) approves the bank's plan to conduct the following new activity:

For a limited time, hold certain real estate as part of the bank's plan to divest of the property.

We conclude that, subject to the following condition, the bank may proceed with its plan:

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 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.

Sincerely,

Lawrence E. Beard

Lawrence E. Beard
Deputy Comptroller, Licensing