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Comptroller of the Currency
Administrator of National Banks

LTR

Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

November 27, 1995

Mr. Edward M. Zerhusen
Deters, Benzinger & LaVelle, P.S.C.
Thomas More Park
2701 Turkeyfoot Road
Covington, Kentucky 41017

RECEIVED

APR 22 1998

SECRETARY OF STATE
COMMONWEALTH OF KY

Re: OCC Control No. 95-CE-01-016

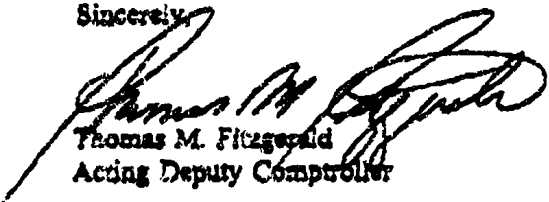
Dear Mr. Zerhusen:

The Office of the Comptroller of the Currency has received, reviewed, and found no exception to the documents submitted by The Farmers Bank, Butler, Kentucky to complete the conversion process. Accordingly, the bank is authorized to commence business as a national banking association effective November 17, 1995, with the title "Farmers National Bank." The charter certificate is enclosed.

This letter also constitutes official authorization of this Office for the converting bank to operate its present branch. The location and branch certificate number are detailed on the attached page.

We are pleased to welcome your bank into the national banking system, and anticipate good future relations. The Louisville Duty Station Office will be assigned responsibility for your bank's overall supervision. Any future questions should be directed to that Office at (502) 429-3422.

Sincerely,


Thomas M. Fitzgerald
Acting Deputy Comptroller

Enclosure

cc: Conversion File
Louisville Duty Station
Ohio Valley Field Office
Chron

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November 27, 1935
Mr. Edward M. Zerhusen
Deters, Benzinger & LaVelle, P.S.C.
Covington, Kentucky 41017

BRANCH CERTIFICATION

BRANCH NO. 097302A
POPULAR NAME: Butler Office
LOCATION: US 27 and Lock Road, Butler
Pendleton County, Kentucky 41006

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

Washington, D.C. 20219

August 10, 1995

Edward M. Zerhusen
Deters, Benzinger & LaVelle, P.S.C.
Thomas More Park
2781 Turkeyfoot Road
Covington, Kentucky 41017

Re: Letter of intent and Applications from The Farmers Bank,
Butler, Kentucky, to convert to a national bank, purchase
the deposits and premises of a branch from Huntington Bank,
Inc., Walton, Kentucky, and relocate to Walton, Kentucky

Control Numbers: 95-CE-01-0016, 95-CE-02-0046, and
95-CE-07-0025

Dear Mr. Zerhusen:

This is to inform you that on this date, the Office of the
Comptroller of the Currency ("OCC") has reviewed the above
referenced letter of intent and applications, dated May 22, 1995.
After a thorough review of all information available, we find
that your requests meet the OCC's requirements for approval as
detailed below. A copy of our decision document is enclosed.

Conversion (Control Number 95-CE-01-0016)

Preliminary approval is granted this date to convert The Farmers
Bank, Butler, Kentucky ("Farmers") to a national banking
association as follows:

Title: Farmers National Bank

Location: 102 Front Street
Butler, Pendelton County, Kentucky 41006

The following standard conditions for conversions apply:

1. Directors must purchase qualifying shares prior to
conversion to a national banking association in conformance
with 12 U.S.C. 72 and 12 C.F.R. 7.4210.

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2. The bank must become a member of the Federal Reserve System pursuant to 12 U.S.C. 222 and must purchase the required amount of stock in the Federal Reserve bank in accordance with 12 C.F.R. 209.
3. The bank must purchase \$1,000,000 excess fidelity insurance.
4. If the bank sells credit life insurance to loan customers, all income from that activity must be credited to the bank for the benefit of all shareholders. The bank's directors must select a means of marketing the insurance to accomplish the objective and comply with federal and state banking and insurance laws.
5. Prior to conversion, the bank's directors must engage an independent, external auditor to perform an audit according to generally accepted auditing standards. The audit must be of sufficient scope to enable the auditor to render an opinion on the bank's financial statements. The audit period must begin on the date the bank converts to a national bank and may end on any calendar quarter-end no later than 12 months after conversion.
6. For a period of two years after the bank converts to a national bank, the Central District Office must review and have no objection to any new executive officer or director prior to that person assuming such position. The proposed individual may not assume the position until the OCC has issued a letter of no objection.
7. The board of directors must adopt and have in place written policies and procedures to ensure the safe and sound operation of the bank. The board also must review these policies and procedures continually and ensure bank compliance with them. A description of the minimum policies and procedures applicable to national banks is enclosed.
8. Prior to conversion, the bank must eliminate or conform any nonconforming assets or activities, except where the OCC has specifically approved an exception.
9. Prior to conversion, the bank must obtain any other required regulatory approvals.

Upon completion of the above procedures, the bank must submit to the Central District Office a letter certifying that all required steps to convert to a National Banking Association have been completed. The bank's notification should include the following documents as attachments:

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1. Secretary's Certificate certifying shareholder approval of the proposed conversion.
2. Articles of Association.
3. Bylaws.
4. Organization Certificate properly signed and executed.
5. Oath(s) of directors.
6. List of directors.
7. Certification that the bank has purchased the required amount of stock in the Federal Reserve System in accordance with 12 U.S.C. 209.

A copy of the OCC's Sample Articles of Association, Bylaws and Organization Certificate are enclosed for your use in preparing your documents. You are reminded that significant deviations from these sample documents must be acceptable to the OCC.

Additionally, sample documents submitted with your applications include an Organization Certificate pre-dating this approval and Articles of Association that incorrectly reflect Farmers' main office location as Walton, Kentucky. Since this is a multi-step transaction, Farmers' Articles of Association and Organization Certificate should list the Butler address as the converted bank's location in these two documents. In conjunction with the subsequent relocation, the Board Secretary's certification and a copy of the amended Articles of Association reflecting the new main office site in Walton, Kentucky should also be submitted.

Branch Purchase and Assumption (Control Number 95-CE-02-0046)
Relocation (Control Number 95-CE-07-0025)

As further detailed in the attached decision statement, the OCC approves Farmers' request to, following its conversion, purchase the branch of Huntington Bank, Inc., Walton, Kentucky, including the premise, furniture and fixtures, and relocate its main office from 102 Front Street, Butler, Pendleton County, Kentucky to 23417 Dixie Highway, Walton, Kenton County, Kentucky. Following the relocation, Farmers may continue to operate its branch US 27 and Lock Road, Butler, Pendleton County, Kentucky.

These approvals are granted based on a thorough review of all information available, including representations made by you and Farmers' representatives in the applications, subsequent correspondence and telephone conversations. Based on these

representations. It is understood that the proposed transactions will be effected contemporaneously with the conversion occurring prior to the purchase and assumption and the relocation. It is also understood, based on information submitted, that Farmers will receive an equity injection prior to conversion in the amount of \$800,000. The OCC's charter certificate will not be issued, and the proposed transactions may consummate until the Central District Office receives certification that the \$800,000 additional capital funds have been contributed to the bank as proposed.

These approvals are granted subject to the following standard conditions:

1. If the conversion, purchase and assumption and change in location do not occur within six months from the approval date, the approvals are automatically terminated unless the OCC grants an extension of the time period. The OCC is opposed to granting extensions, except under the most extenuating circumstances and expects the proposal to occur as soon as possible.
2. Our Central District Office should be advised, at least ten days in advance, of the desired effective date for the conversion, purchase and assumption and change in location so that the OCC may issue the necessary certification and authorization letters.

When the bank has satisfactorily completed all of the above steps, the OCC will issue a letter, including the Charter Certificate, officially authorizing Farmers to conduct business as a National Banking Association.

The Comptroller's Manual for Corporate Activities, the Banking Laws for Examiners, the Banking Regulations for Examiners (four volumes), Comptroller's Handbook, the Comptroller's Handbook for Compliance, the Comptroller's Handbook for Fiduciary Activities, An Examiner's Guide to Consumer Compliance, An Examiner's Guide to Investment Practices and Products and a set of current banking circulars and bulletins, will be mailed to you under separate cover.

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If you have any questions, please contact Carolina Ledesma or Brian Paul, National Bank Examiners and Corporate Analysts in our Central District Office at (312) 663-8084.

Sincerely,

Kathleen S. O'Brien

Kathleen S. O'Brien
National Bank Examiner/
Sr. Bank Structure Analyst
Bank Organization & Structure

Enclosures

Decision Document
12 C.F.R. Part 9
Organization Checklist -- Minimum Policies and Procedures
Sample Documents: Articles of Association, Bylaws, and
Organization Certificate



FAX

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

Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605
Telephone: 312-863-8000
Fax Number: 312-435-0951 (27th Floor)
312-435-1370 (HR-Only)

312-435-9632 (26th Floor)

DATE: 4-22-98

TO: SANDRA PERRY

COMPANY: Secretary of State

FAX NO: (502) 564-4075

PHONE NO.: (502) 564-2848

NO. OF PAGES (INCLUDING COVER SHEET): 8

MESSAGE: Approval + Certification Letter for the
Farmers National Bank Charter Conversion as per
your Request. Regards,
BP

FROM: BRIAN J. PAUL
NATIONAL BANK EXAMINER

CITY: CHICAGO

CONTACT: _____

PHONE NO.: (312) 360-8858

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