



Comptroller of the Currency
Administrator of National Banks

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, New York 10036

April 26, 2001

**Conditional Approval #465
May 2001**

James M. Deitch
3405 Pebble Ridge Road
York, PA 17402

Re: Application to establish a full service national bank, with the title of American Home Bank, National Association, Lancaster, Pennsylvania (ACN 2001 NE 01 001 and 2001 NE 08 004)

Dear Mr. Deitch:

The Comptroller of the Currency(OCC) has reviewed your application to establish a new national bank with the title of American Home Bank, National Association (“bank”). On April 24, 2001, after a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval. Your request to establish an operating subsidiary, with the title of American Construction Mortgage, Inc., is also approved. The subsidiary will engage in mortgage banking activities, that are permissible for national banks.

These approvals are 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 conditional approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and obtain FDIC insurance.

“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 U.S., any agency or entity of the U.S., or an officer or employee of the U.S., 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 U.S.”

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You have represented that in the future the bank may offer a transactional Internet banking service. Any final plans to offer Internet banking will need to be reviewed and approved by the OCC as a significant deviation or change from the proposed operating plan. Such review will involve the same amount of scrutiny as if the details had been known during the initial application.

This charter approval is subject to the condition that the bank shall obtain prior approval from the appropriate supervisory office, the OCC's Wilkes-Barre Field Office, before any deviation or change from the proposed operating plan occurs during the bank's first three years of operation. This bank must notify the Wilkes-Barre Field Office at least sixty (60) days prior to any proposed significant deviation or change. This condition is enforceable under 12 U.S.C. § 1818. The bank must also provide a copy of such notice to the FDIC's

This charter approval is also subject to the condition that all transactions between the bank and any affiliates shall be conducted subject to the applicable provisions of 12 U.S.C. § 371-c and c-1, any affiliated agreements or other affiliate transactions. This condition is enforceable under 12 U.S.C. § 1818.

Please be advised that the conditions of this approval are conditions "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 and, as such, are enforceable under 12 U.S.C. § 1818.

Our approval is also subject to a pre-opening requirement that the bank must raise a minimum of \$9.4 million in capital, net of organizational and preopening expense, prior to commencing operations. The manner in which capital is raised must not deviate from that described in the operating plan without prior OCC notification. If the capital for the new bank is not raised within 12 months or if the new bank is not opened for business within 18 months from preliminary conditional approval date, the OCC will withdraw approval. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant's control. The organizers are expected to proceed diligently, consistent with their application, for the bank to open for business as soon as possible.

Until final approval is granted, the OCC has the right to alter, suspend, or revoke preliminary approval should any interim development be deemed by the OCC to warrant such attention.

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

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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 operations. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

The OCC poses no objection to the following persons serving as executive officers and directors of the proposed bank:

<u>Name</u>	<u>Proposed Position</u>
James M. Deitch	Chief Executive Officer/President/Director
Anna Ruth Miller	EVP/Director
George T. Brubaker	Director
Randy T. Byrnes	Director
Alfred J. Cooke	Director
Michael F. Kipp	Director
Arthur K. Mann	Director

All background checks that were requested by this office have not yet been received. While we have decided not to delay action pending receipt of the responses, please understand that the OCC reserves the right to withdraw this statement of no objection at any time and, at our discretion, to request additional biographical and/or financial information on the proposed directors and/or officers.

Please note, additional executive officers and directors are subject to the prior review and clearance of the OCC. Also, the OCC requires that you obtain prior approval of additions or changes in directors or executive officers for two years after the bank opens for business.

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

You should direct any questions concerning this preliminary approval to Sandya Reddy, Senior Licensing Analyst, at (212) 790-4055 or to me.

Sincerely,

-signed-

Anthony DosSantos
Licensing Manager