Licensing Operations
Southwestern District
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3342

June 13, 2002

Conditional Approval #534
July 2002

Randall W. Dobbs
President
Community National Bank
Post Office Box 999
Bellaire, Texas 77042

Re: De Novo Charter; Community National Bank, Bellaire, Texas
       Application Control Number 2001-SW-01-0006; Charter Number 24303

Dear Mr. Dobbs:

The Office of the Comptroller of the Currency (OCC) has found that you have met all requirements imposed and completed all steps necessary to commence the business of banking.

You are authorized to open Community National Bank on June 17, 2002. We will forward to you a charter certificate under separate cover.

This final approval is subject to the following conditions, which are considered to be 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. As such, the conditions are enforceable under 12 U.S.C. §1818.

1. The bank shall obtain the OCC's non-objection before any significant deviation or change from the proposed operating plan occurs. The bank must notify the Houston Field Office at least sixty (60) days prior to any proposed significant deviation or change, and obtain the OCC's non-objection in writing, prior to such a proposed deviation or change.[1] The bank must also provide a copy of such notice to the FDIC's Dallas Regional Office during the first three years of operation.

Randall W. Dobbs

---

[1] In your initial conditional approval letter, this condition had a duration of three years. As a result of recent OCC policy changes, this condition is now perpetual.

2. If the bank implements a transactional web site within the first three years of operation, it is considered a significant change in the business plan. Prior to implementing such an operation, the bank must follow the requirements of Condition No. 1 as well as:

- The bank must submit to the Houston Field Office for review and approval a complete description of the bank's final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items:

    Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operating policies and procedures, including, but not limited to, vendor management, weblinking, customer authentication and verification, and business resumption contingency plans.

- The bank must have performed an independent security review and test of its electronic banking platform. The bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed below. An objective, qualified independent source (Reviewer) must conduct the review. The scope should cover:

    — All access points, including the Internet, Intranet, or remote access.

    — The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

    By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, see "The Internet and the National Bank Charter" booklet of the *Comptroller's Corporate Manual*, pages 37-38, 74-75. This booklet may be found on the OCC's web site at ww.occ.treas.gov/netbank/letters.htm.

3. The bank must notify all potential technology-related vendors in writing of the OCC's examination and regulatory authority under 12 U.S.C. §1867(c).[2] All final technology-related vendor contracts must stipulate that the performance of services provided by the vendors to the bank is subject to the OCC's examination and regulatory authority.

You are reminded that several of the standard requirements contained in the preliminary approval letter will continue to apply once the bank opens, and by opening, you are agreeing to Randall W. Dobbs

---

[2] The OCC has the authority to assess the bank for the cost of examining a service provider. See 12 C.F.R. §8.6.

subject your association to these conditions of operation. Some of the requirements bear reiteration here:

1. Regardless of the association's FDIC insurance status, the association is subject to the Change in Bank Control Act [12 U.S.C. §1817(j)] by virtue of its national bank charter.

2. The board of directors is responsible for regular review and update of policies and procedures and for assuring ongoing compliance with them. This includes maintaining an internal control system that ensures compliance with the currency reporting and recordkeeping requirements of the Bank Secrecy Act (BSA). The board must train its personnel in BSA procedures and designate one person or a group to monitor day-to-day compliance.

3. For a period of two years after the bank opens, the OCC 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.

The following individuals have been cleared by the OCC to serve as executive officers and/or directors, as proposed in the application.

Frank G. Cook	Chief Executive Officer, Director
Randall W. Dobbs	President, Chief Financial Officer, Chief Operating Officer, Director
C. Joe Chapman	Director
David E. Preng	Director

In addition, the OCC has no objection to the following individuals serving in the proposed capacities at Community National Bank. Certain background checks requested by OCC have not yet been received on these individuals, as noted. While we have decided not to delay action pending receipt of these responses, continued service of the affected individuals will be dependent upon satisfactory completion of the background investigation process.

John M. James	EVP, Senior Lender, Director (1 response pending)
James T. Fleshner	Cashier (1 response pending)
James B. Earthman	Director (1 response pending)
Albert V. Kochran	Director (1 response pending)
Odis L. Peavy	Director (2 responses pending)

Following the commencement of operations, bank management is urged to become familiar with the requirements of the Securities Exchange Act of 1934 and Part 11 of the Comptroller's regulations relative to the registration of the bank's equity securities and related periodic reports. These requirements will be applicable to your bank when the number of shareholders of record is maintained at 500 or more. Such registration may be subsequently terminated pursuant to the Act only when the number of shareholders of record is reduced to fewer than 300.
Randall W. Dobbs

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.

On behalf of the OCC, welcome to the national banking system. Should you have any questions of a supervisory nature, please contact Assistant Deputy Comptroller Francis Alleman, Jr. or ADC Analyst Bernadette Hernandez at (713)336-4200, who will be responsible for the ongoing supervision of your institution

Yours truly,

-signed-

Karen H. Bryant
Licensing Manager

cc:　Waverly Vest
　　　Attorney at Law
　　　Bracewell & Patterson
　　　711 Louisiana Street, Suite 2900
　　　Houston, Texas 77002-2781