

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING**

333 Market Street, 16th Floor
Harrisburg, PA 17101-2290

May 13, 2004

Dear:

This letter responds to the notification letter you submitted on behalf of (the "Bank"), a Pennsylvania State-chartered Bank, to the Pennsylvania Department of Banking (the "Department") regarding the Bank's proposal to invest in bank premises as permissible for a national bank, pursuant to the authority granted by Section 201(c) of the Banking Code of 1965, 7 P.S. § 201(c) ("Parity Authority"). Specifically, the Bank intends to utilize the authority granted to national banks at 12 U.S.C. § 371d and 12 C.F.R. §§ 7.1000 and 5.37 to govern the maximum investment limit for bank premises.

Please be advised that the Department does not object to the Bank investing in bank premises as discussed above, pursuant to Parity Authority. The Department's non-objection is based upon the facts and representations as stated in the Bank's April 16, 2004, notice letter and the Bank Parity and Subsidiary Notice form provided to the Department. Any changes in the facts could result in an amendment or reversal of the Department's non-objection. Additionally, the Department will review the Bank's investment in bank premises and will continue to exercise its regulatory authority and may take actions as deemed appropriate to ensure the safety and soundness of the Bank.

With regard to branch offices, the Bank will continue to be required to file an application with and be granted approval by the Department prior to establishing, relocating, or discontinuing a branch office pursuant to Chapter 9 of the Banking Code of 1965.

I trust this letter is responsive to your request. Please contact Joseph A. Moretz, Manager of Corporate Applications, of this office should you require additional explanation or information regarding this matter.

Very truly yours,

Timothy J. Blase
Director - Bureau of
Supervision and Enforcement

TJB:JAM:kse

cc: Joseph A. Moretz
Carter D. Frantz, Esq.