

FEDERAL DEPOSIT INSURANCE CORPORATION

IN RE: Foothills Bank & Trust
Maryville, Blount County, Tennessee
Application for Federal Deposit Insurance
(Deposit Insurance Fund)

ORDER

The undersigned, acting on behalf of the Board of Directors pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act and relating to the application for deposit insurance for Foothills Bank & Trust, Maryville, Blount County, Tennessee, a proposed new State member bank and Deposit Insurance Fund member, to be located at 197 Foothills Mall, Maryville, Blount County, Tennessee, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, that the application submitted by Foothills Bank & Trust for Federal deposit insurance be and the same hereby is approved subject to the following conditions.

1. That beginning paid-in capital funds of not less than \$18,000,000 be provided.
2. That the Tier 1 capital to assets leverage ratio as defined in Part 325 of the FDIC Rules and Regulations be maintained at not less than eight percent throughout the first three years of operation and that an adequate allowance for loan and lease losses be provided;
3. That any changes in proposed management or proposed ownership to the extent of ten percent or more of stock, including new acquisitions of or subscriptions to ten percent or more of the stock, shall be approved by the FDIC prior to the depository institution opening for business;
4. That Federal deposit insurance shall not become effective until the applicant has been established as a State member bank, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the State authority and the Federal Reserve;
5. That adequate fidelity bond coverage be obtained prior to opening the bank;

6. That an accrual accounting system be adopted for maintaining the bank's books;
7. That until the conditional commitment herein ORDERED becomes effective, the Corporation shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action; and
8. That if deposit insurance has not become effective on or before April 24, 2008, or unless in the meantime, a request for an extension of time has been approved by the Corporation, the consent granted shall expire on said date.

Dated this 24th day of April, 2007.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: /s/

Stan Ivie
Regional Director
Dallas Region

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STATEMENT

Pursuant to the provision of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. § 1815), an application for Federal deposit insurance has been filed for Foothills Bank & Trust (the Bank), a proposed new state member bank and Deposit Insurance Fund member to be located at 197 Foothills Mall, Maryville, Blount County, Tennessee.

The community to be served will primarily consist of Blount County, Tennessee. No formal objections to the proposal have been filed and the granting of deposit insurance will have no apparent adverse effect on the competitive environment. A review of available information, including the proposed Community Reinvestment Act (CRA) program of the applicant, disclosed no inconsistencies with the purpose of the CRA.

The proposed investment in fixed assets is reasonable, capital is adequate, projections for future earnings prospects are favorable, and management is considered satisfactory. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act and the proposal does not appear to present an undue risk to the Deposit Insurance Fund.

Accordingly, based upon careful evaluation of all available facts and information, the Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**REGIONAL DIRECTOR
DALLAS REGION
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**