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Comptroller of the Currency  
Administrator of National Banks

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Bank Organization and Structure  
250 E Street, SW, Mail Stop 3-8  
Washington, DC 20219

**Conditional Approval #246**  
**June 1997**

May 19, 1997

David G. Bristol  
Miller, Nash, Wiener, Hager & Carlsen, LLP  
3500 U.S. Bancorp Tower  
111 S.W. Fifth Avenue  
Portland, Oregon 97204-3699

Re: Applications to: 1) Merge U.S. Bank of California, Sacramento, California, U.S. Bank of Idaho, Boise, Idaho, U.S. Bank of Nevada, Las Vegas, Nevada, U.S. Bank of Utah, Salt Lake City, Utah, and U.S. Bank of Washington, N.A., Seattle, Washington, with and into United States National Bank of Oregon, Portland, Oregon; and 2) Charter U.S. Bank Trust Company, N.A., Portland, Oregon  
Application Control Numbers: 97-WE-02-0011 and 97-WE-01-0004

Dear Mr. Bristol:

This is to inform you that on May 19, 1997, the Office of the Comptroller of the Currency ("OCC") approved the proposal to merge U.S. Bank of California, U.S. Bank of Idaho, U.S. Bank of Nevada, U.S. Bank of Utah, and U.S. Bank of Washington, N.A., with and into United States National Bank of Oregon, under the charter and title of United States National Bank of Oregon. A copy of the OCC's decision document is enclosed.

This approval is granted based on a thorough review of all information available, including representations and commitments made in the application and the merger agreement and those of your representatives.

Please be advised that the OCC also authorizes the resulting bank, should the merger occur between Call Report dates, to recalculate its legal lending limit. The new lending limit should be calculated by using data from the last Call Report of the individual banks filed prior to consummating the merger, as adjusted for the merger. The resulting bank will then file a new Call Report and begin calculating its legal lending limit according to 12 C.F.R. 32.4(a) at the end of the quarter following consummation of the merger.

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The Western District Licensing Division must be advised in writing in advance of the desired effective date for the merger so that the OCC may issue the necessary certification letter. The effective date of the merger must be on or after the approval date.

We will not issue a letter certifying consummation of the merger until we have received:

1. A Secretary's Certificate for each applicant institution, certifying that a majority of the board of directors has agreed to the proposed merger,
2. An executed merger agreement with Articles of Association for the resulting bank attached, and
3. A Secretary's Certificate for each institution, certifying that the shareholders' approvals have been obtained.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate unless the OCC grants an extension of the time period.

Also, the OCC has reviewed your application to establish a new national trust bank with the title of U.S. Bank Trust Company, National Association ("Bank"). The Bank will engage solely in fiduciary activities. After a thorough evaluation of all data available to the OCC, we found on May 19, 1997, that your proposal met the requirements for preliminary conditional approval.

We have based our decision to grant preliminary conditional approval on the information provided in your application, other correspondence between the applicant and the OCC, and other information available to the OCC.

We also made our decision to grant preliminary conditional approval with the understanding that the proposed national trust bank will not be FDIC insured and the expectation that the proposed Bank will apply for membership in the Federal Reserve System.

The approval is subject to the following special conditions to comply with statutory and regulatory requirements.

1. The Bank shall assure that its operations are limited to that of a trust bank and that deposits other than trust funds are not accepted.
2. The limitations of the Bank's activities must be fully enumerated in the Bank's Articles of Association. Specifically, the articles must state clearly that:

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- The business of the association will be limited to that of a national trust bank.
- The Bank must obtain the prior written OCC approval before amending its Articles of Association to expand the scope of its activities and services.

Please be advised that the above listed conditions of this approval shall be deemed 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(b)(1). The conditions are enforceable under 12 U.S.C. §1818 as specifically applied to uninsured national banking associations under section 1818(b)(5).

You may now form a body corporate and begin organizing the Bank, as soon as you adopt and forward the Articles of Association and Organization Certificate to the Western District Office. As a body corporate, you may begin operating as a business; but you may not begin the business of banking or accept any appointment as a fiduciary until you fulfill all requirements for a bank in organization and final approval is granted. (See Corporate Organization Booklet enclosed.)

Enclosed are procedural requirements that must be met before the Bank will be allowed to commence business. Please note that some of the requirements referenced in the enclosed package may not be applicable since the Bank's activities will be limited to those of a national trust bank. It is the responsibility of management to ensure that the applicable policies and procedures are established and adopted by the Board of Directors before the Bank commences business.

We require that, prior to opening, the Bank engage an independent, external auditor to perform an audit according to generally accepted auditing standards of sufficient scope to enable the auditor to render an opinion on the financial statements of the Bank (or consolidated holding company), taken as a whole. The audit period shall commence on the date that the organizing group forms a body corporate and may end on any calendar quarter-end no later than 12 months after the Bank opens. We expect that such audits will be performed on an annual basis for at least five years following commencement of operations. Engagement of an auditor will be verified during the pre-opening examination.

The OCC has no objection to P. K. Chatterjee serving as chief executive officer as proposed in the application.

Additional executive officers are subject to the prior review and clearance of the OCC. Also please note that 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.

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All correspondence regarding these applications should reference the respective application control number. If you have any questions concerning this letter, please contact National Bank Examiner Gery Race in our Western District Licensing Division at (415) 545-5921 or me at (202) 874-5060.

Sincerely,

/s/

Robert B. Norris

Bank Organization and Structure

Enclosure

Decision Document

Corporate Organization Booklet

Minimum Policies and Procedures

Procedural Requirements