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September 23, 1996

* NOT ADMITTED IN DC

Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-5644
U.S. Department of Labor
200 Constitution Avenue NW.
Washington, DC 20010

Re: Elizabethton Federal Savings Bank
Directors's Retirement Plan

Dear Sir/Madam:

Please be advised that on September 6, 1996, Elizabethton Federal Savings Bank (the "Bank") approved the Elizabethton Federal Savings Bank Directors' Retirement Plan (the "Plan") for its directors. Under section 104 (a)(3) of the Employee Retirement Income Security Act ("ERISA"), we intend this letter to satisfy the disclosure requirements applicable to the Agreement under Part 1 of Title I of ERISA (in accordance with 29 CFR §2520.104-23).

The Plan is maintained by the Bank primarily for the purpose of providing benefits to a select group of management or highly compensated employees. These benefits are paid for from the general assets of the Bank. Six directors are eligible to participate in the Plan. Relevant documents will be provided to you upon your request, as required by section 104(a)(1) of ERISA.

The Company is located at 112 North Sycamore Street, Elizabethton, Tennessee 37644, and has been assigned EIN 62-0192666.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



J. Mark Poerio

JMP:fs:1852

cc: Shirley G. Hughes, Chief Executive Officer and President
France Staudenmann, Employee Benefits Specialist

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 RECEIVED