

June 27, 2005

Gentlemen:

I am writing to express our concern about the regulatory burden that will be created for the banking industry based on the Sarbanes-Oxley Act of 2002.

We are a bank holding company with corporate headquarters in Baraboo, Wisconsin and locations in various communities throughout the state including Baraboo, Reedsburg, Portage, Wonewoc, Lake Delton, Rhinelander and Elcho. At the present time, we are approximately \$653,000,000.00 in size and provide a wide array of consumer and business banking products throughout our market area.

I am writing to express my concern about the Sarbanes-Oxley Act of 2002 and the burden that it will place on us when we reach the 500 shareholder threshold. Our bank is owned by our own community shareholders including many present customers of the company. Approximately 10 years ago, we became a semi publicly-traded company by going on the "pink sheet" as a Midwestern bank holding company. Howes Barnes in Chicago worked with us in this process to become a publicly traded security. We have always encouraged prospective shareholders to buy stock in our company and we have many small shareholders who may own 10, 20 or 50 shares of bank stock. We are concerned that as we encourage people to purchase stock, we are closing in on the 500 shareholder threshold which will create enormous regulatory and personnel costs for us. Recently, we have even been discouraging individuals from purchasing small amounts of stock based on our concerns with Sarbanes-Oxley.

Without going into all the details, we know that the need to comply with this Act will create more auditing, recordkeeping and internal control costs for our company. I will not be more specific regarding these matters since I am sure you have heard these same issues raised by others. I am asking you to consider changing the law or raising the level at which owners have to comply based on the number of shareholders. This law, as currently written, will create a tremendously costly burden for our company and, specifically, for our shareholders. I do not think this was the original intent of this legislation.

If you would like to discuss this matter in more detail, feel free to call me at The Baraboo National Bank, tel. #(608) 356-7703, ext. 200.

THE BARABOO BANCORPORATION, INC.

Merlin E. Zitzner  
Chairman & CEO