

OFFICE OF THRIFT SUPERVISION

**APPROVAL OF APPLICATIONS FOR PERMISSION TO ORGANIZE
A FEDERAL SAVINGS BANK AND HOLDING COMPANY ACQUISITION**

Order No.: 2002-01

Date: January 15, 2002

OTS Docket Nos.: 17928 and H3781

Georgia Community Bancshares, Dalton, Georgia (the Holding Company), has applied to the Office of Thrift Supervision (the OTS), pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e) and 12 C.F.R. §§ 552.2-1 and 574.3, to organize and acquire Georgia Community Bank, Dalton, Georgia (the Savings Bank), a federal stock savings bank (the Applications). The Savings Bank will be a member of the Savings Association Insurance Fund.

OTS has considered the Applications under the factors set forth in 12 U.S.C. §§ 1464(e) and 1467a(e) and 12 C.F.R. §§ 543.3, 552.2-1 and 574.7, and other applicable statutes and regulations. OTS also has considered the Applications under the Community Reinvestment Act (the CRA), 12 U.S.C. §§ 2901 *et seq.*, and OTS regulations thereunder at 12 C.F.R. Part 563e. OTS has considered analyses prepared by Examination Policy and the Southeast Regional Office (Regional Office), and a legal opinion from the Business Transactions Division (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, OTS finds that the Applications satisfy the applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Southeast Regional Director, or his designee (Regional Director). Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The Savings Bank and Holding Company must receive all required regulatory approvals for the proposed transaction and submit copies of all such approvals to the Regional Director or his designee prior to consummation of the proposed transaction;
2. The proposed transaction must be consummated within one hundred twenty (120) calendar days from the date of this Order;
3. On the business day prior to the consummation of the proposed transaction, the Chief Financial Officers of the Holding Company and the Savings Bank must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operation of the Holding Company and the Savings Bank as disclosed in the Applications, including but not limited to directors, shareholders, or the business plan. If additional

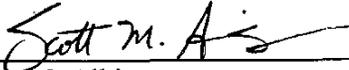
- information having a material adverse bearing on any feature of the Applications is brought to the attention of the Holding Company, the Savings Bank, or OTS since the date of the business plan submitted with the Applications, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;
4. The Holding Company and Savings Bank must advise the Regional Director in writing within five (5) calendar days after the effective date of the proposed transaction: (a) the effective date of the proposed transaction and insurance of accounts; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications, and this Order;
 5. At least 20 days prior to the Savings Bank opening for business, the Holding Company must provide to the Regional Director a list of the stockholders of the Holding Company, including names, addresses, number of shares, and percentage of total shares, and the total amount sold in the offering. Any individuals presumed to be acting in concert pursuant to 12 C.F.R. Section 574.4 must also be listed and all relationships disclosed;
 6. The Savings Bank must operate within the parameters of its business plan filed in the Applications. The Savings Bank must submit any proposed major deviations or material changes from the business plan (including changes in the level of capital or changes resulting from decisions made by the Holding Company) for the prior, written non-objection of the Regional Director. The request for change must be submitted a minimum of thirty (30) days before the proposed change is implemented with a copy to the FDIC Regional Office. Within thirty (30) days after each calendar quarter end, the Savings Bank must submit business plan variance reports to the Regional Director;
 7. No later than five (5) days from the date the Savings Bank opens for business, the Chief Financial Officer must provide the Regional Director a reconciliation of capital for the Savings Bank;
 8. The Savings Bank must submit annual independent audit reports to the Regional Director for their first three fiscal years. These reports must be in compliance with the audit rules set forth at 12 C.F.R. Section 562.4;
 9. Prior to opening, the Savings Bank must establish detailed policies and procedures for all operations. Prior to opening, the Savings Bank must provide copies of such policies and procedures and a resolution of its

board of directors that indicates the directorate has reviewed, approved and implemented such policies and procedures to the Regional Director for his review and approval;

10. Any stock option plans or agreements that are to be implemented by the Holding Company or the Savings Bank during the first year of operation of either entity must be submitted for shareholder approval after receiving the written nonobjection of the Regional Director;
11. During the first three (3) years of the Savings Bank's operations, the Savings Bank must provide notice to the Regional Director at least thirty (30) days prior to the appointment of a director or senior official or change in responsibilities of any senior executive officer for his written non-objection; and
12. The Savings Bank's board of directors must review and approve any transactions between the Savings Bank and business interests of the directors and senior officers to ensure the transactions are conducted in accordance with safe and sound banking principles and all applicable regulations. Directors and senior officers, with interests in other firms that propose to conduct business with the Savings Bank, must recuse themselves from any discussions or decisions regarding the transactions. Such reviews and recusals must be documented in the board of directors' minutes.

Any time period specified herein may be extended by the Regional Director, for good cause, up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or his designee, effective
January 15, 2002.



Scott M. Albinson
Managing Director
Office of Supervision