



Comptroller of the Currency
Administrator of National Banks

Southeastern District
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, N.E.
Atlanta, GA 30303

March 15, 2000

Conditional Approval #374
April 2000

M. Lauch McKinnon, Spokesperson
SouthernBank, National Association (proposed)
P. O. Box 967
Buford, Georgia 30515-0967

Re: 99-SE-01-0032
SouthernBank, National Association
Buford, Georgia

Dear Mr. McKinnon:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of SouthernBank, National Association. On March 15, 2000, after a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary approval.

This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the proposed bank's representatives. We also made our decision to grant preliminary approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and obtain FDIC insurance.

Any significant deviations from the original operating plan, or changes in the organizing group or chief executive officer, must receive the prior written approval of the OCC. Significant deviations or changes that have not been approved may be grounds for delaying issuance of the charter or for withdrawing preliminary approval (see Significant Changes discussion in the Introduction of the "Corporate Organization" booklet).

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Please refer to the "Corporate Organization" booklet (enclosed) in the *Comptroller's Corporate Manual* for the instructions on organizing your bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the bank as soon as you adopt and forward acceptable.

Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC. To expedite and simplify the in organization process, we recommend that the spokesperson arrange to meet with OCC staff. This may be arranged by calling your contact in the Southeastern District.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

The OCC poses no objection to the appointment of M. Lauch McKinnon as President/Chief Executive Officer. Additional executive officers are subject to the OCC's prior review and clearance. In this regard, we have noted your representation that the Senior Loan Officer will have experience in the north Atlanta metro area.

The OCC poses no objection to the individuals listed below serving as directors. All other directors are subject to the OCC's *prior* review and clearance.

M. Lauch McKinnon
James Andrews
James Hinshaw
Donald Jackson
Lewis Massey
Tyler McCain
Alan Najjar
Arnold Tillman
Jeffrey Tucker

You are also reminded that for a period of two years after the bank has opened for business, the OCC must review and have no objection to any new executive officer or director *prior* to that person assuming such position.

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The bank proposes to raise a minimum of \$8,500,000 in capital prior to commencing operations. You are reminded that, pursuant to 12 CFR 5.20(I)(5)(iii), this preliminary approval expires if the bank does not raise the capital funds within 12 months from the date of this letter. The preliminary approval also will expire if the bank has not commenced operations within 18 months from the date of this letter.

This approval is subject to the condition that the bank shall provide the OCC's Atlanta Field Office at least thirty (30) days prior notice of any significant deviations or changes from the proposed operating plan during the first three years of operations. This condition is enforceable under 12 USC 1818.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

You should direct any questions concerning this preliminary approval to Louis Gittleman at (404) 588-4525.

Yours truly,

-signed-

John O. Stein
Licensing Manager

Enclosures: "Corporate Organization" Booklet
Minimum Policies and Procedures
Standard Requirements