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Comptroller of the Currency  
Administrator of National Banks

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

July 9, 2001

**Conditional Approval #478  
August 2001**

William B. Gossett  
President and Chief Executive Officer  
Islands Community Bank, National Association  
Post Office Box 2329  
Beaufort, South Carolina 29901-2329

Re: 1999-SE-01-026

Dear Mr. Gossett:

The Comptroller of the Currency (OCC) has found that you have met all requirements it imposed and completed all steps necessary to commence the business of banking.

You are authorized to open **Islands Community Bank, National Association** on **July 9, 2001**. We will forward you a Charter Certificate under separate cover.

You are reminded that several of the standard requirements contained in the preliminary approval letter dated *February 01, 2000*, will continue to apply once the bank opens and by opening, you agree to subject your association to these conditions of operation. Some of the requirements bear reiteration here:

1. Regardless of the association's FDIC insurance status, the association is subject to the Change in Bank Control Act [*12 USC 1817(j)*] by virtue of its national bank charter.
2. The board of directors is responsible for regular review and update of policies and procedures and for assuring ongoing compliance with them. This includes maintaining an internal control system that ensures compliance with the currency reporting and recordkeeping requirements of the Bank Secrecy Act (*BSA*). The board must train its personnel in *BSA* procedures and designate one person or a group to monitor day-to-day compliance.

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**This approval is subject to the condition that the bank shall obtain prior approval from the OCC's Carolinas Field Office before any significant deviations or changes from the proposed operating plan occur during the first three years of operation. The bank must notify the Carolinas Field Office sixty (60) days prior to any proposed significant deviation or change. This condition is enforceable under 12 USC 1818. The bank must also provide a copy of such notice to the Atlanta FDIC office.**

“This approval and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.”

On behalf of the OCC, welcome to the national banking system. Should you have any questions, please contact Assistant Deputy Comptroller Jewell Hoover, Carolinas Field Office, 6100 Fairview Road, Suite 1154, Charlotte, North Carolina 28210-3277, telephone at (704) 554-7082, who will be responsible for the ongoing supervision of your institution.

Sincerely,

-signed-

John O. Stein  
Licensing Manager

Charter No. 23982