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**Comptroller of the Currency  
Administrator of National Banks**

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Southern District Licensing  
500 North Akard, Suite 1600  
Dallas, Texas 75201-3323

**Conditional Approval #714  
December 2005**

November 8, 2005

Nicholas C. Conte, Esq.  
Woods Rogers PLC  
Attorneys at Law  
823 East Main Street, Suite 1200  
Richmond, Virginia 23219

Re: Holding Company Formation for Smith River Community Bank, N.A., Martinsville,  
Virginia pursuant to 12 U.S.C. § 215a-2; CAIS Control Number 2005-SO-12-0250

Dear Mr. Conte:

The Comptroller of the Currency (OCC) has conditionally approved the application to reorganize Smith River Community Bank, N.A., Martinsville, Virginia, Charter Number 23903, to become a subsidiary of a bank holding company. This conditional approval is granted based on a thorough review of all information available, including commitments and representation made in the application and those of the bank's representatives. The conditions regarding this approval include the following:

- The Bank shall not significantly deviate from or change the business, structure, management, operations, and products of the Bank that exist at this time without first obtaining the Assistant Deputy Comptroller for the Virginia Field Office's (Supervisory Office) prior written determination of no supervisory objection to such significant deviation or change.
- Within sixty (60) days of the date of this approval letter the Bank shall submit a written Business Plan to the Supervisory Office for a prior written determination of no supervisory objection. This written Business Plan shall include the substantive components outlined in the "Business Plan Guidelines" of the "Interagency Charter and Federal Deposit Insurance Application." Once the Bank receives a prior written determination of no supervisory objection to the Business Plan from the Supervisory Office required by this condition, the Bank shall implement and thereafter adhere to the Business Plan. Once implemented, the Bank shall not significantly deviate from, or change, the Business Plan, without giving the Supervisory Office at least sixty (60) days prior written notice of its intent to do so, and obtaining the Supervisory Office's prior written determination of no supervisory objection to such action.

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For the purposes of this condition, the phrases “significantly deviate” and “significant deviation” shall be construed in light of the guidance provided in Appendix G (Significant Deviations After Opening) of the “Charters” booklet of the *Comptroller’s Licensing Manual* (January 2005).

These conditions of approval are conditions “imposed in writing by the agency in connection with the granting of any application or other request” within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

The Southern District Licensing office must be advised in writing in advance of the desired effective date of the reorganization transaction so it may issue the necessary certification letter. If the transaction is not consummated within one year from this approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

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 United States, any agency or entity of the United States, or any officer or employee of the United States, 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 United States.

All correspondence regarding this application should reference the application control number. We have enclosed a letter requesting your feedback on how we handled your application. We would appreciate your response to improve our service.

If you have any questions, contact Licensing Analyst Abel Reyna or me at (214) 720-7052.

Yours truly,

**signed**

Karen H. Bryant  
Director for District Licensing

Enclosure: Survey Letter