

Decisions on Bank Applications

Landis Savings Bank, S.S.B.

Feb. 12, 1998

Board of Directors
Landis Savings Bank, S.S.B.
107 South Central Avenue
Landis, North Carolina 28088

Dear Board of Directors:

The notice of proposed mutual-to-stock conversion and subsequent amendments thereto, filed on behalf of Landis Savings Bank, S. S. B., Landis, North Carolina (Bank) have been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to section 303.15 of the FDIC Rules and Regulations. As described in the notice and the amendments, the Bank proposes to convert from a North Carolina- chartered mutual savings bank to a North Carolina-chartered stock savings bank.

The FDIC has relied on information provided in the Bank's notice of conversion and the accompanying business plan in reaching its decision. It is anticipated that notification of any planned material deviations from the business plan, such as a return of capital, will be provided to the FDIC in advance of such an event. Based on the information presented in the Bank's notice of conversion, and amendments thereto, including commitments by the Bank to restrict payment of dividends, the FDIC plans to issue a letter of nonobjection to the proposed conversion transaction, provided that the Bank satisfies the following conditions:

1. The Bank must execute the enclosed Tolling Agreement and deliver it to this office on or before February 24, 1998.
2. The Bank must provide written evidence that its Plan of Conversion has been approved by the affirmative vote of a majority of the votes eligible to be cast at a special meeting of the Bank's members.
3. The Bank must advise this office of the results of the subscription offering and deliver an updated appraisal that;
 - (a) takes the results of the subscription offering into account;
 - (b) discusses any material occurrences during the subscription period;
and
 - (c) explains any order that may have been rejected.
4. The Bank must receive final approval from the appropriate State of North Carolina officials (State Authority) for its establishment as a stock savings bank and final approval must be received from the Federal Reserve Bank of Richmond and the State Authority for BOC Financial Corporation to acquire the Bank.

Provided that the Bank meets the conditions outlined above and that the FDIC is satisfied with the appraiser's determination in the updated appraisal that the results of the subscription offering represent fair value for the Bank, and provided further that there has been no significant alteration to the terms of the conversion transaction (by action of other regulators or otherwise) subsequent to

the date of this letter, the FDIC will issue a letter of nonobjection to the proposed conversion transaction.

Sincerely,

Mark S. Schmidt
Associate Director