



FDIC

Federal Deposit Insurance Corporation
550 17th Street, NW, Washington, DC 20429

Division of Supervision

VIA FACSIMILE AND BY CERTIFIED RETURN RECEIPT REQUESTED

Board of Directors
Community Savings Bank, SSB
708 South Church Street
Post Office Box 1837
Burlington, North Carolina 27216-1837

Board of Directors:

The notice of intent to convert from mutual to stock form filed on behalf of Community Savings Bank, SSB, Burlington, North Carolina has been reviewed by the Federal Deposit Insurance Corporation ("FDIC") pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.163 and 333.4. Based on the information and representations presented, the FDIC poses no objection to the proposed conversion transaction.

Please notify our Atlanta Regional Office in writing when the proposed transaction has been consummated.

Sincerely,

/S/

James L. Sexton
Director

cc: Randall A. Underwood
Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.
Post Office Box 26000
Greensboro, North Carolina 27420