

OFFICE OF THRIFT SUPERVISION

MODIFICATION OF APPROVAL OF HOLDING COMPANY ACQUISITION  
AND PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

Order No.: 97-76

Date: July 25, 1997

By letter dated July 14, 1997, Net.B@nk, Inc., Atlanta, Georgia ("Net.B@nk"), submitted to the Office of Thrift Supervision ("OTS"), a request (the "Request") for modification of condition 18 of OTS Order No. 97-66, dated July 11, 1997 (the "Order"). The Request seeks to modify condition 18 of the Order, which requires a three year holding period on certain shares of Net.B@nk common stock.

The Order approved the application by Net.B@nk and Carolina First Corporation, Greenville, South Carolina, pursuant to § 10(e) of the Home Owners' Loan Act ("HOLA") and 12 C.F.R. § 574.6 to acquire from Premier Bancshares, Inc., all the issued and outstanding stock of Premier Bank, FSB, Acworth, Georgia ("Premier"). In addition, the Order approved the application by Net.B@nk, on behalf of Premier, pursuant to 12 U.S.C. § 1828(c) and 12 C.F.R. § 552.13 and § 563.22 to acquire certain assets and assume certain liabilities of Carolina First Bank, Greenville, South Carolina ("CFB") and then to relocate Premier's home office from Acworth, Georgia, to Columbia, South Carolina. In connection with the proposed transaction, Premier will change its name to Atlanta Internet Bank ("AIB") and modify its business plan to provide certain financial services through, among other things, the "Internet", a worldwide computer network in place to serve consumers as a public information sharing vehicle. The foregoing is referred to as the "Application".

In addition, on July 18, 1997, the OTS received a memorandum from Net.B@nk, dated July 17, 1997 (the "Memorandum"), providing new information regarding a possible change in the proposed Internet service provider of certain financial services to be offered by AIB. The information indicated that the contract with AT&T for the provision of certain Internet banking delivery services may not be renewed after the February 1998 expiration date and that AT&T may discontinue its Personal Financial Services products and services in 1998.

The OTS has carefully considered the Request, the reasons for the requirements in condition 18 of the Order (including the importance of certain principal shareholders, management and directors maintaining for a three year period an economic interest in AIB), the new information provided in the Memorandum and the

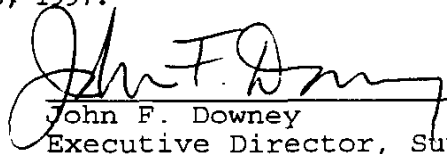
need to provide an opportunity for the OTS to review any changes in the proposed Internet service provider of certain financial services to be offered by AIB, and has determined that the modification of conditions 7, 13, 14 and 18 of the Order and the addition of new condition 19 is appropriate.

Accordingly, the Director of the OTS, or his designee, hereby amends the Order to modify conditions 7, 13, 14 and 18 of the Order and to add new condition 19 to the Order, to provide as follows:

7. AIB shall operate within the parameters of the submitted business plan. Any proposed major deviations or material changes from the submitted plan, and especially those pertaining to Internet operations, shall receive the prior written approval of the Regional Director. The request for approval shall be submitted a minimum of 30 days before the proposed change is anticipated. In the event of a proposed contractual change involving service providers, a revised plan shall be submitted a minimum of 15 days prior to entering into the contract.
13. AIB shall cause to be performed an independent review of the implementation of the Internet banking platform to document that the security measures set forth in the design and implementation phases have been adequately implemented, are operating as required and have been tested by various means to measure their effectiveness. Such review shall be performed by independent computer security specialists and must include attempts to gain unauthorized and/or undetected access to its operations. The report should confirm, in writing, that the computer system does not allow unauthorized or undetected access to customer accounts, with reasonable certainty. This review shall be performed and the report delivered to OTS no later than August 31, 1997. AIB further agrees that it will attempt to correct all deficiencies noted in the report within a reasonable amount of time. In addition, AIB shall agree to perform such a review prior to the initial implementation of any new Internet service delivery providers and provide the report to the Southeast Region. These reviews shall be subject to any additional standards or requirements set by the Regional Director including prior OTS review of the qualifications of the independent computer security specialists.
14. AIB shall provide a copy of the SAS 70 report prepared for AT&T by Coopers & Lybrand L.L.P. within 5 days of receipt by AIB, and any subsequent SAS 70 reports received by AIB shall also be provided to the OTS.

18. Certain principal shareholders, directors, director nominees, and executive officers of Net.B@nk, as set forth below, and their immediate family members, who acquired common stock of Net.B@nk prior to the public offering or at prices lower than the initial public offering price or acquired Net.B@nk common stock in connection with the nonqualified stock option plan of Net.B@nk, shall not dispose of such common stock for a period of three years from the date of the public offering: specifically, T. Stephen Johnson, Mary E. Johnson, Edward J. Sebastian, Susan Sebastian, Carolina First Bank, Carolina First Corporation, Robert E. Bowers, Ward H. Clegg, D.R. Grimes, J. Stephen Heard, Robin C. Kelton, John T. Moore, Thomas H. Muller, Jr., Donald S. Shapleigh, Jr., W. James Stokes, Mack I. Whittle and Belinda L. Morgan. However, Carolina First Bank or Carolina First Corporation may as part of the public offering sell up to 150,000 shares of Net.B@nk common stock in connection with the exercise of the underwriter's over-allotment option and may dispose of all or a portion of its Net.B@nk common stock at any time if directed to do so by its primary federal regulator. This condition may be modified by the Regional Director, or his designee, upon a showing of good cause such as a change in control of a majority of Net.B@nk's common stock, termination of employment, death, or a medical or financial hardship.
19. By September 1, 1997, unless extended by the Regional Director, AIB shall provide to the Southeast Region office a structured project plan which sets out the steps and timing necessary to replace the services currently provided by AT&T. Written monthly status reports shall be provided to the Southeast Regional office which include any significant modifications to the plan. Copies of any Requests for Proposals ("RFPs"), as well as the responses to the RFPs, shall be provided to the Regional Director within 5 days of mailing or receipt by AIB. The initial RFP shall be accompanied by a listing of the companies that were solicited. This condition may be waived by the Regional Director should the contract with AT&T be renewed.

By order of the Director of the Office of Thrift Supervision,  
or his designee, effective July 25, 1997.

  
John F. Downey  
Executive Director, Supervision