



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

July 24, 1997

Mr. John L. Douglas  
Alston & Bird LLP  
One Atlantic Center  
1201 West Peachtree Street  
Atlanta, Georgia 30309-3424

Dear Mr. Douglas:

You have requested a determination that the Arrendale Undiversified Family Limited Partnership (the "Partnership") is a qualified family partnership under the Bank Holding Company Act, as amended by the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (the "BHC Act").<sup>1/</sup> The Partnership proposes to acquire 12.48 percent of the outstanding shares of Habersham Bancorp, Cornelia, Georgia.<sup>2/</sup>

You have represented that the Partnership meets all of the conditions for eligibility as a qualified family partnership. You indicated that the partners of the Partnership are individuals who are related by blood, marriage, or adoption, or trusts for the primary benefit of those individuals. You also indicated that the Partnership controls a bank only through its control of Habersham Bancorp, which is a registered bank holding company, that it does not engage in any other business activities, that it has no investments other than those permissible for a bank holding company, and that it is not obligated on any debt. The Partnership has committed to continue to comply with the conditions for eligibility, to be subject to examination by the Board, to comply with the Change in Bank Control Act, and to be subject to the enforcement provisions of the Federal Deposit Insurance Act to the same extent as if it were a bank holding company.

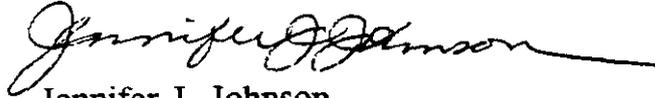
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<sup>1/</sup> Pub. L. 104-208, § 2610, 110 Stat. 3009.

<sup>2/</sup> Habersham Bancorp controls Habersham Bank, Clarkesville, Georgia, and Security State Bank, Canton, Georgia.

Based on all the facts of record, including the representations made to the Board by the Partnership, the Board's General Counsel, acting pursuant to delegated authority, and after consulting with the Director of the Division of Banking Supervision and Regulation, has hereby determined that the Partnership is a qualified family partnership for purposes of the BHC Act. Please be advised that any change in the facts relied on by the Board could result in reconsideration of this determination.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer J. Johnson", with a long horizontal flourish extending to the right.

Jennifer J. Johnson  
Deputy Secretary of the Board

cc: Mr. Bill Durden,  
Federal Reserve Bank of Atlanta  
Office of the Comptroller of the Currency  
Federal Deposit Insurance Corporation