

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

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)	
COMMUNITY BANK OF ROWAN)	ORDER GRANTING
SALISBURY, NORTH CAROLINA)	EXTENSION FOR
(INSURED DEPOSITORY INSTITUTION))	CONDITIONAL WAIVER
)	OF CROSS GUARANTEE
)	LIABILITY
)	FDIC-10-069kk
_____)	

WHEREAS, on November 20, 2009, Commerce Bank of Southwest Florida, Fort Myers, Florida (“Commerce”) failed and caused a loss to the Federal Deposit Insurance Corporation (“FDIC”); and

WHEREAS, Commerce was controlled by Capitol Bancorp, Ltd., Lansing, Michigan (“Capitol”), a bank holding company; and

WHEREAS, Capitol also controls Community Bank of Rowan, Salisbury, North Carolina (“Bank”); and

WHEREAS, pursuant to 12 U.S.C. § 1815(e)(8), the Bank and Commerce were commonly controlled; and

WHEREAS, pursuant to 12 U.S.C. § 1815(e)(1)(A), the Bank incurred a cross-guarantee liability to the FDIC in connection with the FDIC’s actual and anticipated losses in connection with Commerce’s failure; and

WHEREAS, the Bank remains subject to cross-guarantee liability in connection with the failure of Commerce; and

WHEREAS, Capitol and the Bank neither admit nor deny the FDIC’s findings in this Order;

WHEREAS, Capitol has entered into a definitive agreement to sell its interest in the Bank to First American Financial Management Company, Charlotte, North Carolina (“First American”); and

WHEREAS, the FDIC, pursuant to 12 U.S.C. § 1815(e)(5)(A), granted a conditional waiver of the cross-guarantee liability against the Bank as described herein on April 12, 2010 (“First Order”);

WHEREAS, the First Order required consummation of the sale to First American within ninety days of the issuance of the First Order unless there is a request for an extension of that time period and the FDIC, in its discretion, grants such a request; and

WHEREAS, First American and Capitol requested an extension for the conditional waiver of cross-guarantee liability in order to allow more time for the parties to consummate the transaction;

The Director of the Division of Supervision and Consumer Protection (“DSC”), having fully considered the facts and information relating to the foregoing request, has concluded that granting the request for a ninety day extension of the First Order is in the best interests of the Deposit Insurance Fund and that approval of the request should be and hereby is granted, subject to the conditions and restrictions set forth below.

IT IS THEREFORE ORDERED THAT:

1. This ORDER GRANTING NINETY DAY EXTENSION FOR CONDITIONAL WAIVER OF CROSS GUARANTEE LIABILITY (“Extension Order”) is effective as of the date set forth below. Absent compliance with all terms found in the First Order within ninety (90) days from the effective date of this Extension Order, the First Order would become null and void unless, upon the written

request of First American and Capitol, the FDIC, in its discretion, grants a further extension of that time period with a new order issued by the Director of DSC.

2. This Extension Order may not be conveyed to a third party or otherwise transferred.

Dated at Washington, D.C. this 28th day of June, 2010.

/s/ _____
Sandra L. Thompson
Director, Division of Supervision and Consumer Protection