

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Community 1st Bank
Post Falls, Idaho

Application for Federal Deposit Insurance

ORDER

The FDIC has satisfactorily resolved the factors enumerated in section 6 of the Federal Deposit Insurance Act, as they relate to the application for Federal deposit insurance submitted by Community 1st Bank, a proposed new bank to be located in Post Falls, Idaho. Accordingly, it is hereby ORDERED that the application be approved, subject to the following conditions:

1. Beginning paid-in capital funds shall not be less than \$5,500,000.
2. The institution's Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance from the institution's primary federal regulator) shall be maintained at not less than eight percent (8%) throughout the first three years of operation and that an adequate allowance for loan and lease losses will be provided.
3. Any changes in proposed management or the proposed ownership of 10% or more of stock, including new acquisitions of or subscriptions to 10% or more of stock, shall be approved by the FDIC prior to opening.
4. An accrual accounting system shall be adopted for maintaining the financial records of the institution.
5. Federal deposit insurance shall not become effective until the applicant is authorized to operate as a State bank by the appropriate State authority.
6. Where applicable, the applicant has submitted any proposed contracts, leases, or agreement relating to construction or rental of permanent quarters to the appropriate regional director for review and comment.
7. Where applicable, full disclosure has been made to all proposed directors and stockholders of the facts concerning the interest of any insider in any transactions being effected or then contemplated, including the identity of the parties to the transaction and the terms and costs involved. An insider is one who is or is proposed to be a director, officer, or incorporator of an applicant; a shareholder who directly or indirectly controls 10 or more percent of any class of the applicant's outstanding voting stock; or the associates or interests of any such person.
8. The persons selected to serve as the principal operating officers shall be acceptable to the appropriate FDIC regional director (DSC).
9. Prior to the effective date of Federal deposit insurance, the institution shall obtain surety bond coverage in a sufficient amount to conform to generally accepted banking practices.

