

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Bank of Feather River
Yuba City, Sutter County, California
Application to Obtain Federal Deposit Insurance

The undersigned, acting on behalf of the Board of Directors pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act relating to the application for Federal Deposit Insurance for Bank of Feather River, a proposed new bank to be located in the West Horizon Office Park near the intersection of Harter Road and Colusa Highway 20, (permanent address has not yet been assigned) Yuba City, Sutter County, California (opening in temporary quarters at 1227 Bridge Street, Suite D, Yuba City, Sutter County California, until the permanent location is ready for occupancy), and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, that the application submitted by Bank of Feather River to obtain Federal Deposit Insurance be and the same hereby is approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$8,000,000 be provided;
- (2) That a Tier 1 capital to total assets ratio of not less than 8% be maintained for the first three years after deposit insurance is effective;
- (3) That any changes in proposed management or proposed ownership (10% or more of stock) of the bank, including new acquisitions of or subscriptions to 10% or more of the bank's stock, will render this commitment null and void unless such proposal is approved by the FDIC prior to opening of the bank;
- (4) That any changes in proposed management or proposed ownership (10% or more of stock) of the holding company, including new acquisitions of or subscriptions to 10% or more of the holding company's stock, will render this commitment null and void unless such proposal is approved by the FDIC prior to opening of the bank;
- (5) That the bank operate within the parameters of its three year business plan. The bank must submit any proposed major deviations or material changes from the plan (including changes resulting from decisions made by the holding company) to the FDIC, a minimum of 60 days before the proposed change is implemented;
- (6) That an accrual accounting system be adopted for maintaining the bank's books;
- (7) That adequate blanket bond coverage be obtained;

- (8) That the bank have an audit of its financial statements conducted by a public accountant annually for the first three years after deposit insurance is effective, furnish a copy of any reports by the independent auditor (including any management letters) to the Chicago Regional Office within 15 days after their receipt by the bank, and notify the Regional Office within 15 days when a change in its independent auditor occurs;
- (9) That Federal deposit insurance shall not become effective unless and until the applicant has been established as a state bank not a member of the Federal Reserve System, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the California Department of Financial Institutions;
- (10) That full disclosure has been made to all proposed directors and stockholders of the facts concerning the interest of any insider (one who is, or stands to be, a director, an officer, or an incorporator of an applicant or shareholder who directly or indirectly controls 10% or more of any class of the applicant's outstanding voting stock, or the associates and interests of any such person) in any transaction being effected or then contemplated, including the identity of the parties to the transaction, and the terms and costs involved;
- (11) That Capitol Bancorp Limited, Lansing Michigan, a holding company, obtain approval from the Board of Governors of the Federal Reserve System to acquire voting stock control of the bank prior to its opening;
- (12) That until the conditional commitment herein ORDERED becomes effective, the FDIC shall have the right to alter, suspend or withdraw the said commitment should any interim development be deemed to warrant such action; and
- (13) That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a request for an extension of time has been approved by the FDIC, the consent granted shall expire at the end of the twelve-month period.

Dated at Chicago, Illinois this 3rd day of October, 2007.

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BY: _____ /S/
Sylvia M. Plunkett
Regional Director - Chicago