

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Community Unity Bank
(In Organization)
Birmingham, Oakland County, Michigan

Application for Federal Deposit Insurance

ORDER

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation ("FDIC") 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, as they relate to the application for Federal deposit insurance with membership in the Deposit Insurance Fund for Community Unity Bank ("Bank"), a proposed state nonmember bank to be located at 34040 Woodward Avenue, Birmingham, Oakland County, Michigan 48009, and has concluded that the application should be approved.

Accordingly, it is hereby **ORDERED**, for the reasons set forth in the attached Statement, that the application submitted by the Bank for Federal deposit insurance be, and the same hereby is, approved, subject to the following conditions:

1. That initial paid-in capital funds of not less than \$23,204,400, after accounting for organizational expenses, be provided.
2. That the Tier 1 capital to assets leverage ratio (as defined in the capital regulations of the FDIC) 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 ("ALLL") be provided.
3. That any changes in proposed management or the proposed ownership of 10 percent or more of the Bank's stock, including new acquisitions of or subscriptions to 10 percent or more of stock, must be approved by the FDIC prior to the Bank's opening.
4. That the Bank will adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with U.S. Generally Accepted Accounting Principles.
5. That Federal deposit insurance will not become effective until the Bank has been granted a charter as a depository institution, has authority to conduct a depository institution business, and its establishment and operation as a depository institution has been fully approved by the Michigan Department of Insurance and Financial Services.
6. That full disclosure be made to all proposed directors and stockholders of the facts concerning the interest of any insider in any transactions being effected or contemplated, including the identity of the parties to the transaction and the terms and costs involved. An "insider" is a person who: (i) is or is proposed to be a director, officer, or incorporator of the Bank; (ii) is a shareholder who directly or indirectly controls 10 percent or more of any class of outstanding voting stock; or (iii) is an associate or related interest of any such person.
7. That the persons selected to serve as the principal operating officers shall be acceptable to the Regional Director.

8. Prior to commencing operations, and during the first three years of operation, the Bank shall provide written notice to, and obtain the prior written non-objection from, the FDIC Chicago Regional Director for any proposed change to the Board of Directors of the Bank (Board of Directors) or to any senior executive officer position. Notice shall be submitted at least 30 days prior to the proposed election to the Board of Directors or appointment to a senior executive position, and shall include a complete Interagency Biographical and Financial Report for the individual. The terms "director" and senior executive officer" shall have the meaning set forth in 12 C.F.R. §303.101.
9. That the Bank will have adequate fidelity coverage.
10. That the Bank will obtain an audit of its financial statements by an independent public accountant annually for the first three years of operation after deposit insurance is effective and submit to the appropriate FDIC office: (i) a copy of the audited annual financial statements and the independent auditor's report within 90 days following the end of the Bank's fiscal year; (ii) a copy of any other reports by the independent auditor (including management letters) within 15 days after receipt by the Bank; and (iii) written notification within 15 days when a change in the Bank's independent auditor occurs.
11. That the Bank shall operate within the parameters of the business plan submitted to the FDIC. During the first three years of operation, the Bank shall provide prior notice to the FDIC Chicago Regional Director for any proposed major deviation or material change from the submitted business plan.
12. That during the first three years of operation, the Bank shall notify the Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility.
13. That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a written request for an extension of time by the Bank has been approved by the FDIC, the consent granted shall expire at the end of the said twelve-month period.
14. That until deposit insurance becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment should any interim development be deemed by the FDIC to warrant such action.

By Order of the Regional Director of the Chicago Regional Office, acting pursuant to delegated authority for the Board of Directors of the FDIC.

Dated in Chicago, Illinois this 23rd day of September, 2022.

/ S /
Gregory P. Bottone
Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Community Unity Bank (In Organization)
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Application for Federal Deposit Insurance

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act ("FDI Act") (12 U.S.C. § 1815), the Federal Deposit Insurance Corporation ("FDIC") received an Interagency Charter and Federal Deposit Insurance Application on behalf of Community Unity Bank, a proposed new state nonmember bank that will be located in Birmingham, Michigan ("Bank"). The application is intended to establish a newly chartered state nonmember commercial bank. The organizers concurrently applied to the Michigan Department of Insurance and Financial Services for a state bank charter.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on January 16, 2022.

The organizers have not established a bank holding company. The opening capital of the Bank will be realized from a private placement offering of a minimum of 2,320,440 shares and a maximum of 3,320,440 shares of the Bank's common stock, at a price of \$10.00 per share.

The Bank's business plan is for a community bank that serves small and mid-size businesses and individuals located in the Oakland County, Michigan area. The Bank will offer traditional products and services and will be overseen by an experienced management team, including a diversified and knowledgeable Board of Directors who are committed to serving the local community.

The Bank will operate with sufficient capital and managerial resources to accomplish the strategies and goals in the business plan. The Bank will be capitalized with an amount sufficient to achieve and maintain a Tier 1 capital to assets leverage ratio, as defined in the capital regulations of the FDIC, of not less than eight percent (8.00%) throughout the Bank's first three years of operation. Projected growth and earnings appear attainable. The Bank's plans appear to satisfy the convenience and needs of the community. Corporate powers to be exercised are consistent with the purposes of the FDI Act, and no undue risk to the Deposit Insurance Fund is evident.

Accordingly, based upon a careful evaluation of all available facts and information, and in consideration of the factors of Section 6 of the FDI Act, the Chicago Regional Director, pursuant to delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**REGIONAL DIRECTOR
DIVISION OF RISK MANAGEMENT SUPERVISION
FEDERAL DEPOSIT INSURANCE CORPORATION**