

In Re: Community Business Bank  
Cumming, Forsyth County, Georgia  
Application for Federal Deposit Insurance

ORDER

The undersigned, acting on behalf of the Board of Directors of the 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 and relating to the application for Federal deposit insurance for Community Business Bank, a proposed new State nonmember bank to be located at 407 East Maple Street, Unit 104 East Maple Place, Cumming, Forsyth County, Georgia, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by Community Business Bank for Federal deposit insurance be and is approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$15,000,000 be provided, of which not less than \$7,500,000 shall be allocated to common capital and not less than \$7,500,000 to surplus;
- (2) That the Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance of the institution's primary federal regulator) will be maintained at not less than eight percent throughout the first three years of operation and that an adequate allowance for loan and lease losses will be provided;
- (3) That any changes in proposed management or proposed ownership (10% or more of stock), including new acquisitions of or subscriptions to 10% or more of the stock, shall be approved by the FDIC prior to opening of the bank;
- (4) That any proposed contracts, leases or agreements relating to construction or rental of temporary or permanent quarters are submitted to the Regional Director for review and comment;
- (5) That full disclosure has been made to all proposed directors and stockholders of the facts concerning any insider transaction, 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);
- (6) That the person(s) selected to serve as the principal operating officer(s) shall be acceptable to the Regional Director;
- (7) That an accrual accounting system be adopted for maintaining the bank's books;

- (8) That sufficient fidelity coverage on the bank's active officers and employees to conform with generally accepted banking practices be obtained prior to opening for business;
- (9) That the bank obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance coverage is effective and submit to the Atlanta Regional Office (i) a copy of the audited financial statements and the independent public auditor's report thereon within 90 days after the end of the bank's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days of receipt, and (iii) written notification within 15 days when a change in its independent auditor occurs;
- (10) That the bank shall operate within the parameters of the business plan submitted to the FDIC, and, furthermore, during the first three years of operations, the bank shall notify the Regional Director of the FDIC of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change;
- (11) That the final version of any proposed stock benefit plans (including stock options, warrants, or other similar equity compensation plans) to be adopted for the benefit of directors, executive officers, incorporators, employees, or organizers of the bank (including any awards to be granted under such plans) during the first three years of operations of the bank shall require prior notice to and a letter of non-objection from the Regional Director;
- (12) That the stock offering circular to be used in conjunction with the sale of stock fully disclose all insider-related issues and transactions and be submitted to the Atlanta Regional Director for review and issuance of a letter of non-objection.
- (13) That final employment contracts for all senior executive officers shall be forwarded to the FDIC for review and approval prior to the contracts becoming effective; a written Compensation Policy should be formulated that provides for reasonable executive officer compensation based on the business plan, normal and customary levels of compensation given geographic and competitive factors, background and experience, asset quality, capital, and profitability; the Compensation Policy should be forwarded to the FDIC for review and approval prior to implementation; pending FDIC review and approval, the Compensation Policy should be ratified by board resolution, and the board should provide for the annual review of executive compensation during the first three years of operation; and any subsequent revisions to the Compensation policy that represent a material increase (5% or more) in the compensation of senior executive officers during the first three years of operation will require prior review and approval of the FDIC;
- (14) That an acceptable management succession plan covering at least the organizational phase and the first three years of operation be submitted to the FDIC for review and comment prior to the bank opening for business;

- (15) That Federal deposit insurance shall not become effective unless and until the applicant has been granted a charter as a depository institution, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the Georgia Department of Banking and Finance;
- (16) That until the bank is established, the Corporation shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action; and,
- (17) 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 Corporation, the consent granted shall expire at the end of the said twelve-month period.

Dated at Atlanta, Georgia, this 26<sup>th</sup> day of June, 2007.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: \_\_\_\_\_ /s/  
Mark S. Schmidt  
Regional Director  
Atlanta Region