

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Larimer Bank of Commerce
Fort Collins, Larimer County, Colorado
Application for 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 Larimer Bank of Commerce, a proposed new bank to be located at 1432 Mulberry Street, Fort Collins, Larimer County, Colorado, and has concluded that the application should be approved.

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

- (1) That the bank shall give the FDIC written notice at least 30 days prior to employing any individual as a senior executive officer during the first three years of operation. The term "senior executive officer" shall have the meaning ascribed to that term in 12 C.F.R. 303.101. The FDIC may issue a notice of disapproval within 30 days of receipt of such a notice if the subject's competence, experience, character, or integrity indicates that it would not be in the best interest of depositors or the public to permit the individual to be employed by, or associated with, the bank.
- (2) That beginning paid-in capital funds of not less than \$8,000,000 be provided;
- (3) 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;
- (4) 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;
- (5) 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;
- (6) 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;
- (7) That an accrual accounting system be adopted for maintaining the bank's books;

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Larimer Bank of Commerce (Proposed)
Fort Collins, Larimer County, Colorado
Application for Federal Deposit Insurance

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. §1815), an application for Federal deposit insurance has been filed for Larimer Bank of Commerce (the Bank), a proposed new State nonmember commercial bank, to be located at 1432 Mulberry Street, Fort Collins, Larimer County, Colorado.

The Bank will be a majority-owned subsidiary of Capitol Bancorp Limited, Lansing, Michigan, a publicly traded company. Capitol Bancorp is a multi-bank holding company and operates 50 banks in 13 states. Capitol Bancorp had 2006 revenues of over \$280 million.

The Bank will provide conventional banking services to Larimer County with an emphasis on commercial and commercial real estate lending. Loan products will be tailored to the needs of small- to medium-sized businesses. Deposit products will consist of a traditional mix of savings, checking, money market, certificates of deposit and retirement accounts.

For the purposes of this proposal, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, and the investment in fixed assets is reasonable. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No formal objections to this proposal have been filed and no undue risk to the insurance fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to the conditions enumerated in the Order.

**REGIONAL DIRECTOR, CHICAGO
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**