



Federal Deposit Insurance Corporation
550 17th St. NW Washington DC, 20429

Division of Supervision and Consumer Protection

January 17, 2008

VIA FACSIMILE AND CERTIFIED MAIL RETURN RECEIPT REQUESTED

Board of Directors
Mineola Community Bank, SSB
215 West Broad
Mineola, Texas 75773

Dear Members of the Board:

The notice of intent to convert from mutual form to stock form filed on behalf of Mineola Community Bank, SSB, Mineola, Texas, has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to 12 C.F.R. Sections 303.160 – 303.163 and other pertinent FDIC regulations. Based on the information presented and representations made, the FDIC poses no objection to the proposed conversion transaction.

Please notify the Dallas Regional Office in writing when the proposed transaction has been consummated.

Sincerely,

/s/

Christopher J. Spoth
Senior Deputy Director

cc: Mr. James L. Pledger
Jackson Walker L.L.P.
100 Congress Avenue
Suite 1100
Austin, Texas 78701

FEDERAL DEPOSIT INSURANCE CORPORATION

Mineola Community Bank, SSB
Mineola, Wood County, Texas

Application for Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act (FDI Act), an application has been filed on behalf of Mineola Community Bank, SSB, Mineola, Wood County, Texas, (Mutual Institution), currently a state-chartered mutually-owned savings bank with total assets of \$132,713,000 and total deposits of \$87,413,000 as of September 30, 2007, for the FDIC's consent to merge with Mineola Interim Bank (Stock Bank), SSB, Mineola, Texas, a proposed new state-chartered stock bank, the Resultant Bank.

The transaction is to effect the Mutual Institution's plan of reorganization which, solely to facilitate such undertaking, provides for:

- Mutual Institution will organize an interim stock savings bank as a wholly-owned subsidiary ("Mineola Interim One");
- Mineola Interim One will organize an interim stock savings bank as a wholly-owned subsidiary ("Mineola Interim Two");
- Mineola Interim One will organize the Stock Holding Company ("Mineola Community Financial Group, Inc." or "MCFG") as a separate wholly-owned subsidiary;
- Mutual Institution will exchange its charter for that of a Texas stock savings bank charter, becoming Stock Bank.
- Interim One will cancel its outstanding shares and exchange its charter for a mutual holding company charter to become the Mutual Holding Company ("Mineola Community Mutual Holding Company" or "MCMHC");
- Interim Two will merge with and into Stock Bank, with Stock Bank surviving as a subsidiary of MCMHC; and
- The Mutual Holding Company will transfer all of the outstanding shares of Stock Bank to MCFG, and Stock Bank will become a wholly-owned subsidiary of MCFG.

At the conclusion of the reorganization, the deposits of the Mutual Institution will continue to be insured under the Deposit Insurance Fund. Applications for the establishment of a Mutual Holding Company and a Stock Holding Company have been approved by the Federal Reserve Bank of Dallas. In addition, the application for Mutual Institution to reorganize into a multi-tiered holding company structure, and the notice of conversion are being evaluated by the

Texas Department of Savings and Mortgage Lending. Following the consummation of the merger, the Resultant Bank will operate the same business, with the same management, and at the same locations now being served by the Mutual Institution. The proposed transaction, per se, will not alter the competitive structure of banking in the market served by the Mutual Institution. The Resultant Bank's principal office will continue to be located at 215 West Broad, Mineola, Wood County, Texas.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the Mutual Institution, disclosed no inconsistencies with the purposes of the CRA. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the merger application, the FDIC has taken into consideration the financial and managerial resources and prospects of the proponent banks and the Resultant Bank, the convenience and needs of the community to be served, and the competitive nature of the proposed transaction. The FDIC has also taken into consideration the effectiveness of the insured depository institutions involved in the proposed merger transaction in combating money-laundering activities.

Having found favorably on all statutory factors, it is the FDIC's judgment that the application should be and is hereby approved, subject to the following conditions, some of which are continuing in nature:

1. That the proposed conversion shall be approved by a vote of at least a majority of Mineola Community Bank, SSB's depositors and, as reasonably determined by Mineola Community Bank, SSB's directors, other stakeholders of the bank who are entitled to vote on the conversion, unless Texas state law requires a higher percentage, in which case the higher percentage shall be used;
2. That unless prior notice is provided to and non-objection is received from the FDIC, no shares of the stock of Mineola Community Bank, SSB shall be sold, transferred, or otherwise disposed of, to any persons (including any Employee Stock Ownership Plan) other than MCMHC, and thereafter, MCFG, as contributed by MCMHC;
3. That prior to a sale, transfer, or other disposition of any shares of MCFG, by MCMHC to any person (including any Employee Stock Ownership Plan), or a conversion of MCMHC to stock form, Mineola Community Bank, SSB will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with state and federal banking and/or securities regulators in connection with any such sale, transfer, disposition, or conversion.
4. That should any shares of stock of Mineola Community Bank, SSB or MCFG be issued to persons other than the MCMHC, any dividends waived by MCMHC must be retained by MCFG or Mineola Community Bank, SSB and segregated, earmarked, or otherwise identified on its books and records; such amounts must be taken into account in any

valuation of the institution and factored into the calculation used in establishing a fair and reasonable basis for exchanging shares in any subsequent conversion of MCMHC to stock form; such amounts shall not be available for payment to or the value thereof transferred to minority shareholders, by any means including through dividend payments or at liquidation.

5. That in conjunction with the proposed conversion, Mineola Community Bank, SSB shall provide written evidence to the FDIC that the Federal Reserve Bank of Dallas has approved the formation of MCFG and MCMHC. In addition, Mineola Community Bank, SSB shall provide written evidence to the FDIC that the Texas Department of Savings and Mortgage Lending has approved the notice of conversion from a mutual- to a stock-form of ownership.
6. That any changes in proposed management, including the board of directors or proposed ownership (ten percent or more of the stock and new acquisitions of or subscriptions to ten percent or more of the stock), will render this approval null and void unless such proposal is approved by the Regional Director of the FDIC's Dallas Regional Office prior to consummation of these proposed conversion transactions.
7. That the transaction shall not be consummated later than six months after the date of this Order, unless such period is extended for good cause by the FDIC; and
8. That until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

By Order of the Senior Deputy Director of the Division of Supervision and Consumer Protection pursuant to the delegated authority of the Board of Directors.

Dated at Washington, D.C., this 20th day of November, 2007.

/s/

Christopher J. Spoth
Senior Deputy Director