

In Re: Community State Bank
(In Organization)
Lamar, Colorado
Application for Federal Deposit Insurance
Deposit Insurance Fund

ORDER

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation 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 through the Deposit Insurance Fund for Community State Bank, a proposed new bank to be located at 717 North Main Street, Lamar, Prowers County, Colorado, and has concluded that the application should be approved.

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

- (1) That beginning paid-in capital funds of not less than \$7,000,000, be provided;
- (2) That the Tier 1 capital to assets leverage ratio 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, be approved by the FDIC prior to opening;
- (4) That an accrual accounting system be adopted for maintaining the bank's books;
- (5) That a registered or proposed bank holding company has obtained approval of the Board of Governors of the Federal Reserve System to acquire voting stock control of the proposed institution prior to its opening;
- (6) That, where applicable, full disclosure has been made to all proposed directors and stockholders of the facts concerning the interest of any insider in any transactions being effected or then contemplated, including the identity of the parties to the transaction and the terms and cost 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;
- (7) That the applicant will have adequate fidelity coverage;

