

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Redstone Bank
(In Organization)
Centennial, 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 Redstone Bank, a proposed new bank to be temporarily located at 6800 South Dawson Circle, Suite 100, Centennial, Arapahoe County, Colorado, and the permanent location at the Intersection of Arapahoe and Parker Roads, Centennial, Arapahoe County, Colorado, has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by Redstone Bank, Centennial, 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 \$9,000,000, 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 a final shareholder list be provided;
- (4) That any changes in proposed management or proposed ownership of 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;
- (5) That the Bank shall obtain written approval from the FDIC prior to adding or replacing a member of the Bank's Board of Directors or any senior executive officer during the first three years of operations;
- (6) That an accrual accounting system be adopted for maintaining the bank's books;
- (7) That Federal deposit insurance shall not become effective unless and until the applicant has been granted a charter, has authority to conduct a depository institution business, and its establishment and operation as a depository institution has been fully approved by the Colorado Division of Banking;
- (8) That, if applicable, the applicant has submitted any proposed contracts, leases, or agreements relating to construction or rental of permanent quarters to the Regional Director for review and comments;
- (9) 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;

- (10) That prior to commencing operations, the applicant shall provide evidence of City of Centennial approval for the plotting and zoning of the land upon which the bank's permanent facility will be constructed and also provide an adequate market value appraisal supporting the in-kind capital (land) contribution reflected in the application;
- (11) That the applicant will have adequate fidelity coverage;
- (12) That the bank will 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, furnish a copy of any reports by the independent auditor (including any management letters) to the Dallas Regional Office within 15 days after their receipt by the bank, and notify the Regional Office within 15 days when a change in its independent auditor occurs;
- (13) That the bank shall operate within the parameters of the business plan submitted to the FDIC. Furthermore, during the first three years of operations, the bank shall receive approval from the Regional Director of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change;
- (14) 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
- (15) 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 Dallas, Texas, this 14th day of May 2008.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: _____ /s/
Thomas J. Dujenski
Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Redstone Bank (In Organization)
Centennial, Arapahoe 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 Redstone Bank, a proposed new state-chartered bank to be temporarily located at 6800 South Dawson Circle, Suite 100, Centennial, Arapahoe County, Colorado, and the permanent location at the Intersection of Arapahoe and Parker Roads, Centennial, Arapahoe County, Colorado.

The Bank intends to focus on small business customers and retail banking; however, the Bank also intends to offer credit and deposit services to all customers within its local community. The applicants are cognizant of and intend to fully comply with the Community Reinvestment Act.

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 certain prudential conditions.

**REGIONAL DIRECTOR
DALLAS REGIONAL OFFICE
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**