

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Black Hills Community Bank, N.A.
Rapid City, South Dakota

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 Black Hills Community Bank, N.A., Rapid City, Pennington County, South Dakota, a proposed new bank to be permanently located at 840 Mount Rushmore Road, Rapid City, South Dakota, and to temporarily operate from 821 Mount Rushmore Road, Rapid City, South Dakota.

It is hereby ORDERED that the application submitted by Black Hills Community Bank, N.A. for Federal deposit insurance be and is approved subject to the following conditions:

- (1) That beginning paid-in capital funds will not be less than \$12,000,000, of which not less than \$6,000,000 shall be allocated to common capital and not less than \$6,000,000 to surplus;
- (2) That a Tier 1 Leverage Capital Ratio, as defined in Part 325 of the FDIC's Rules and Regulations, of no less than 8 percent be maintained during the bank's first three years of operation, and that an adequate allowance for loan and lease losses 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 the bank;

- (4) That the bank obtain sufficient fidelity bond coverage on its active officers and employees to conform with generally accepted banking practices, prior to opening;
- (5) 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 Office of the Comptroller of the Currency;
- (6) That until the bank is established, the FDIC shall have the right to alter, suspend, or withdraw its commitment should any interim development warrant such action;
- (7) That the bank has submitted any proposed contracts, leases or agreements relating to construction or rental of permanent quarters to the Regional Director for review and comment;
- (8) That the bank has fully disclosed to all proposed directors and stockholders any insider transactions, including the identity of the insider(s) and the terms and costs involved. An insider is any proposed director, officer, or incorporator; a shareholder who directly or indirectly controls 10% or more of the bank's outstanding voting stock; or the related interests of any such person;
- (9) 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 FDIC, the consent granted shall expire at the end of the twelve-month period.

Dated at Kansas City, Missouri, this 2nd day of November, 2007.

FEDERAL DEPOSIT INSURANCE CORPORATION
KANSAS CITY REGION

Signed by James D. LaPierre

James D. LaPierre
Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Black Hills Community Bank, N. A. (Proposed)
Rapid City, Pennington County, South Dakota
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 Black Hills Community Bank, N. A. (the Bank), a proposed national bank, to be permanently located at 840 Mount Rushmore Road, Rapid City, South Dakota, and to temporarily operate from 821 Mount Rushmore Road, Rapid City, South Dakota.

The bank's primary focus will be on individuals, small to medium size businesses, and agricultural operations in the Rapid City area. The bank plans to differentiate itself from its competitors based on the bank's core strategy of being locally owned, locally operated, and locally committed to offering unparalleled customer service, flexible banking products, and the most current technology available.

We have determined that the proposed investment in fixed assets is reasonable, capital is adequate, earnings prospects are sufficient to provide a profitable operation within a reasonable period of time, and management is considered satisfactory. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No objections to this proposal have been filed and no undue risk to the insurance fund is apparent.

Accordingly, based on a careful evaluation of all available facts and information, the undersigned, acting on authority delegated by the Board of Directors of the FDIC, has approved Black Hills Community Bank, N. A.'s application.

FEDERAL DEPOSIT INSURANCE CORPORATION
KANSAS CITY REGION

/s/

James D. LaPierre
Regional Director