

OFFICE OF THRIFT SUPERVISION

**Approval of Organization and Acquisition of
a Federal De Novo Stock Savings Bank**

Order No.: 97-102

Date: September 30, 1997

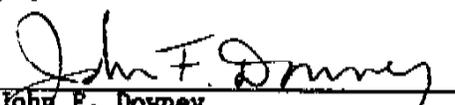
Community First Holdings, LLC, CFH Holdings, LLC, Berman Family Trust and Berman Children's Trust, Baltimore, Maryland (together, the "Applicants") have applied to the Office of Thrift Supervision ("OTS"), to organize and acquire Community First, FSB, Pikesville, Maryland (the "Institution"), a federal de novo stock savings bank, pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e)(1)(B), and 12 C.F.R. §§ 543.3, 552.2-1 and 574.3. The Institution will be a member of the Savings Association Insurance Fund.

The OTS has considered the holding company and permission to organize applications under the standards set forth in 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 543.3, 552.2-1(b) and 574.7 and under the Community Reinvestment Act, 12 U.S.C. § 2901 et seq., and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, the OTS has considered a digest from the Southeast Regional Office, an opinion from the Business Transactions Division, and an analysis from the Corporate Activities Division. Based on its review, the OTS has determined that the holding company and permission to organize applications satisfy all applicable statutory and regulatory criteria, provided that the following conditions are complied with in a manner satisfactory to the Southeast Regional Director, or his designee (the "Regional Director"). Accordingly, the holding company and permission to organize applications are hereby approved, subject to the following conditions:

- (1) The Applicants and the Institution must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Director;
- (2) On the business day prior to the date the Institution opens for business, the Chief Financial Officers of Community First Holdings, LLC, CFH Holdings, LLC and the Institution shall certify in writing to the Regional Director that no material adverse changes have occurred with respect to the information currently before the OTS, including but not limited to directors, shareholders, or the business plan; and provided further, that no additional information having an adverse bearing on any feature of the application exists;

- (3) The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order or within such additional period as the Regional Director may grant;
- (4) The Institution must advise the Regional Director in writing within 10 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and of the Institution's insurance of accounts and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the application and this Order;
- (5) The Institution shall submit independent audit reports to the Regional Office for its first three fiscal years. These reports shall be in compliance with the audit rules set forth at 12 C.F.R. Section 562.4;
- (6) The Institution shall provide for employment of senior executive officers who shall be charged with full administrative and material responsibilities of the Institution under policies established by its board of directors. The performance of such individuals will be periodically reviewed and their continued employment will be subject to the approval of the Regional Director for a period of three years; and
- (7) The Institution shall obtain the written approval of the Regional Director prior to the execution or implementation of any employment agreements in connection with the proposed transaction.

By order of the Director of the Office of Thrift Supervision, or his designee, effective September 30, 1997 .


John F. Downey
Executive Director, Supervision