

DUE DILIGENCE CHECKLIST

**IF DATA REQUESTED IS DUPLICATE OR CAN BE CROSS REFERENCED, PLEASE NOTE
All data as of most recent month end, quarter end and year end unless otherwise specified.**

Organizational Information

1. Corporate organizational chart (holding company and all subsidiaries; description and location of each entity)
2. Organizational chart illustrating employee reporting structure within the holding company and its subsidiaries (including title, function and responsibility).
3. List of current shareholders and percent ownership.
4. Minutes from holding company and subsidiary boards of directors for the last 3 years (including minutes from any committee of such boards of directors).
5. Synopsis and copies of material business contracts, licenses, leases, royalty agreements or similar significant commitments (including, without limitation, any documents/agreements related to trust preferred issuance).
6. Copies of any reports or surveys by outside consultants (on major strategic issues or problems, if any) during the most recent 3 years.
7. Copies of Accounting, Lending, Investing, Asset/Liability, Compliance, Disaster Recovery and other Operating policies.
8. Copy of strategic plan

Regulatory and Compliance

1. State and Federal Examination reports for major banking subsidiaries and holding companies for the last 3 years.
2. Regulatory reports filed with federal and state regulatory authorities during the last 3 years.
3. Reports filed with, correspondence with and all documents relating to any proceeding or threatened proceeding by any regulatory agency involving the holding company or any subsidiary, or any director, officer, agent or person involved in its affairs, or for the suspension or removal of any director, officer, agent or person involved in the affairs of the company, or any other significant proceeding, during the last 5 years
4. List of any pending material applications or reports or filings filed with or submitted to any regulatory agency

5. A schedule of all government permits, licenses, authorizations and certificates.
6. Copies of any correspondence to or from any regulatory authority for the last 3 years.
7. Current Community Reinvestment Act
8. Statement and information relating to any review or assessment thereof by any agency and copies of all correspondence with such agency pertaining to the CRA statement and compliance therewith.
9. Investigative, audit or compliance reports by, or any correspondence with, The Federal Home Loan Bank, Government National Mortgage Association, Fannie Mae, Freddie Mac, Sallie Mae or the Small Business Administration or any other public or private corporation or agency regarding servicing for the last 3 years.
10. A copy of the most recent Form EEO-1, a schedule of any pending or threatened civil litigation or agency complaint (federal, state or local) known to the company.
11. Compliance Committee minutes for the last 2 years.
12. Latest HMDA report.
13. Latest Regulation O disclosures made by directors, executive officers and principal shareholders
14. Administrative Agreements, Memorandum of Understanding, Cease and Desist Orders, etc., if any, with any regulatory agency
15. BSA policy and procedures, including internal monitoring processes, training program and report
16. GLB policy and procedures
17. OFAC policy and procedures.
18. Disclosure controls and procedures (including any backup documentation, certifications or reports relating to the same).
19. Disclosure Committee minutes for Current Year, Last Year, Previous Year
20. Copy of insider trading policies and procedures.

Audit

1. Engagement letter from independent auditors for the past year.
2. Latest independent audit plan and internal audit plan.
3. Management letters from independent auditors, and management responses, for the past 3 years.
4. Latest "Required Communications with Audit Committees" Letter issued by the independent auditors.
5. Listing of proposed audit adjustments and reclassifications (whether recorded or waived) from independent or internal Auditors as of the past year-end and most recent quarter
6. Evidence of compliance with requirements of Sarbanes Oxley.
7. Internal Audit reports and management responses for the past 3 years

8. Facilitate a meeting between CCG Catalyst and external auditors for review of audit work papers. Exact scope of meeting and CCG Catalyst requirements needs to be finalized

Legal: Corporate

1. Articles of Incorporation, partnership, LLC, and trust agreements or other organizational or constituent documents with all amendments, including any foreign qualifications and By-Laws with all amendments
2. Number of current shares outstanding
3. Materials distributed to shareholders for the last three years.
4. Any agreements with shareholders.
5. Subscription agreements and offering documents for any public offering or private placement of securities (equity or debt) either (i) occurring during the last three years, or (ii) if debt, if the debt is still outstanding.
6. Total number of shareholders and list of all shareholders holding 5% or more of voting stock; list of shareholdings of directors and officers.
7. Transfer agent agreement and reconciliation

Legal: Regulatory Relationships

1. Material correspondence with regulatory agencies relating to any regulatory agreements, orders, asset quality, capital or other compliance issues.
2. Summary of any other material proceeding involving the bank, or any director, officer, agent or person involved in its affairs that is pending or threatened by any state or federal agency.
3. Evidence of compliance with all applicable requirements of the USA PATRIOT Act, including but not limited to the bank's policies and procedures on customer identification.
4. Copy of any Compliance Consultant's reports and letters to the bank and/or Management for the past three years.

Legal: Litigation Risk and Employee Issues

1. Schedule of all litigation, administrative proceedings, investigations, or inquiries pending, or threatened (including employee related matters).
2. Litigation letter from attorneys to accountants describing pending or threatened litigation, delivered in connection with audits conducted during the last two years.
3. Description of any environmental issues.
4. Copies of any open charges of discrimination, complaints, or related litigation, or any such cases that have been closed within the past five years.

Facilities & Insurance

1. Schedule of all offices or other properties showing the property is leased or owned, and copies of deeds to owned property and leases for leased properties.
2. Current lease accounting accrual policy for step up rent, free rent and fixed rent
3. All equipment leases and services and maintenance contracts.
4. Information as to liens or other encumbrances, etc., on any property (e.g., offices, OREO, etc.).
5. Lease abstract or summaries.
6. Schedule of insurance coverage, indicating the type, cost and extent of coverage.
7. Copies of significant policies in place such as fidelity, D & O, E & O including claims history
8. Description of loss history for the past 3 years.
9. Description of any significant pending claims.
10. Description of any significant claim denied by any insurance carrier during the past 3 years.
11. Description of any insurance canceled, or renewal declined, by any insurance carrier in the past 3 years.
12. Copies of the "declarations page" for Directors & Officers Liability, Bond and Property & Casualty (and related) coverages.
13. Access to insurance application renewal information for the Directors & Officers Liability, Bond and Property & Casualty coverage's.

Contracts and Leases:

1. All other contracts or commitments for services >\$5,000
2. List of all third-party vendors, services they provide and budgeted costs for such services

Credit Data: ALL DATA AS OF CURRENT MONTH END AND MOST RECENT QUARTER

1. Trial balance by type, balance payment status, risk rating and addresses of CRE & residential construction sites.
2. Breakdown of fixed rate vs. variable rate Loans
3. Breakdown of real estate portfolio by project type, industry group and internal rating
4. Listing by officer of loan portfolio's assigned and related risk ratings and dates of such ratings.
5. Maturity/re pricing matrix for loan portfolio
6. Copies of loan applications and sample loan documents for each credit product
7. Credit concentration to single borrowers.
8. Loan Volumes past 3 years by type and location
9. List of loans to officers, directors, employees and/or affiliates

10. Description of loan administration system including maintenance and oversight of credit files and compliance, process for verification of receipt of recorded collateral documents, description of documentation process and procedures for validating that documents were executed as approved, and document exception report as of 8/31/09
11. Description of all loan products
12. Latest credit reports to the Board of Directors and all information regarding all delinquent loans 30-60-90, criticized classified loans, impaired loans, risk rated loans, non-accrual, non-performing and OREO as of most recent month end.
13. Credit Review systems, internal rating system, examples, comparison to regulatory definitions.
14. List of foreclosures (with bank attorney report)
15. Report by Independent Loan Review consultant past 3 years
16. List description, files of OREO
17. Status of loans previously charged off including fair value/net realizable analysis
18. Copy of Loan Policy and Procedures
19. Charge off and recovery, non accrual and non performing loan history past three years
20. List of 10 largest net charge offs over the past 5 years
21. Loan origination and run off data last two years by product
22. Pipeline report
23. List of SBA or guaranteed loans
24. List of commitments-funded and unfunded
25. List of loans sold with recourse
26. Charge off and non-accrual policies and accounting procedures
27. Listing of all commercial loans outside of market area.
28. List of loan participations showing entities, credit, principal amount, rate, term and call provisions. Copy of participation agreements
29. Current list of loan commitments with terms
30. List of outsider services and related contracts
31. Secondary market policies and procedures
32. Board approved Appraiser list
33. Portfolio breakdown by officer, total commitments by borrower
34. Top 15 Borrowers by product type
35. List of 20 largest commercial loan exposures
36. Loan commitment reports to include commitments to purchase (buy/sell agreements or offer letters) as of the specific review cut-off date.
37. Lending limits of the Bank and that of each lender.

38. Off balance sheet items to include but not limited to letters of credit.
39. Description of collection system and process
40. Residential loan portfolio composition - secondary market activity, including products sold, buyer and delineation between services retained and service released
41. On site targeted review of credit and document files: List to be supplied by BMT
42. Residential and HELOC loan volume by branch or loan department by month in both units and dollars for past 24 months
43. Portfolio breakdown by product with balances and yields

Human Resources

1. Organization charts and related job descriptions for all areas.
2. Current employee listing including, title date of hire, salary, last salary action, next salary action, department, location, bonus payments, incentive payments
3. Resumes and background information for all officers
4. Description of any plans or commitments to increase any employee compensation
5. Details of any significant "perquisites" (Country Clubs, Automobiles etc.)
6. Copies of all formal or informal compensation agreements with any director, officer or non-officer employee including employment contracts, change of a control agreements, non-compete, or non-disclosure agreements.
7. Complete copies and Summary Plan descriptions for all retirement (defined benefit, define contribution, ESOP, 401 (k) etc) and health and welfare "Plans" and stock option plans
8. IRS Determination letter or similar document including tax exempt status of "Plans" with IRS, Department of Labor and ERISA
9. Retirees and benefits provided to retirees listing of employees receiving "post" retirement benefits and annual amounts received
10. Schedule of group insurance rates (employer and employee portions) for all insurance programs
11. List of any employees granted special medical, dental, life or other group insurance concessions in excess of the normal plans
12. Description of all benefits provided by employee group (Executive, officer, exempt, non-exempt)
13. IRS Forms 5500 and audits for all plans including attachments
14. Latest financial statements related to "Plans"
15. Latest actuarial valuations for applicable" plans"
16. Description of all compensation plans, list of participants (bonus, incentive deferred).
17. Key employee life insurance policies

18. Description of any significant unsettled Workmen's comp claims
19. Payroll system and pay period
20. Current or pending collective bargaining agreements and description of any labor disputes or union organization activity
21. Copy of severance plans
22. Salary ranges with number of employees in each range
23. Performance appraisal and merit increase program
24. Most recent employee handbook
25. Code of conduct, Financial Officer Code of ethics, conflict of interest policy and copies or descriptions of any waivers under such policies
26. Reports to and from regulatory agencies regarding compliance with local, state and Federal laws and regulations related to personnel administration, EEO, benefits programs, unemployment compensation and worker safety
27. Copies of any affirmative action plans.
28. Confirmation that there are no 280 G payments
29. Vacation, sick and personal time policy including policy and accounting for accrued sick, personal and vacation time

**Finance, Accounting, Tax and ALCO: ALL DATA AS OF _____ AND _____
UNLESS OTHERWISE NOTED**

1. General Ledger and Management Report Packages for the Holding company, Bank and all subsidiaries, including:
 - Trial Balance
 - Average Balance Sheet
 - Balance Sheet and Profit & Loss Statements
 - Budget Reports and Budget Variance Reports
 - Management and Board Reports
 - Income Statement Reports for periods for:
 - Years ended _____ and _____
 - _____ months ended _____
 - Quarters ended _____, _____ & _____
 - Months ended _____ and _____
 - Balance sheet reports as of above-mentioned dates plus _____
 - SEC Financial Statement roll-ups for _____ and _____
2. Chart of accounts with descriptions

3. An investment portfolio report package, including a schedule of the investment and mortgage-backed securities portfolio as _____. Include par value, book value, market value, maturity date, premium and/or discounts, rating, CUSIP and coupon rate, etc.
4. Copy of Investment Policy
5. Copy of any recent reports prepared by outside investment consultants
6. BOLI plan documents, reports, detail of any caps, list of insured and investment data for each of the five plans as of _____, _____ and _____, including investment performance. Provide names of carriers and other pertinent data.
7. Support for FAS 91 calculations as of last date prepared
8. FDIC insurance billing statements for the last 5 quarters
9. Allowance for loan loss calculation work papers as of _____ and _____
10. FHLB Maximum Borrowing Capacity ("MBC") reports and payoff reports from FHLB as of _____
11. Fixed Assets Report Package as of _____ and _____ including current book value and capitalization policy
12. Federal, State tax returns for _____, _____ and _____ including any correspondence related to returns or related to any audit, including all closing letters, IRS documents or revenue agent reports, agreements, waivers, elections, and consents
13. Schedule of all open tax years, indicating whether a claim may arise for an open year. List and describe any aggressive or uncertain tax return positions provide the most recent federal and state cushion analysis as of _____ and _____
14. Copies of tax provision work papers from _____, _____ and _____
15. Copies of correspondence from the IRS including information document requests and responses
16. Last three years of thrift institutions tax returns, including state, franchise, and local tax returns
17. EITC Credit from contribution for _____ and _____ obligations
18. Schedule of insurance coverage's as of _____ and _____ 9. Include policy names, premium, deductibles, type of coverage, etc. See facilities and insurance item #6.
19. Schedule of prepaid items as of _____ and _____. Provide support for items over \$100,000
20. List of all accounting systems including GL package, Investment Accounting, Fixed Asset Accounting, Accounts payable, Budget Systems, Stock Options, Prepaid/Accruals, including vendor name and version of software being used
21. Stock option report package including details of FAS 123R expenses as of _____ and _____

- _____, including current data on options outstanding and vested, including exercise prices and shares subject to future grant. Also include a copy of the Plan and sample grant.
22. Schedule of other liabilities as of _____, _____, and _____
 23. Written accounting policies and procedures

Operations & IT

1. All contracts for the Bank or any subsidiary related to data processing and network support/services
2. Copies of all software license agreements, SaaS, PaaS, IaaS and outsourcing contracts, hardware leases, and maintenance agreements covering the acquisition, operation or maintenance of all hardware and software employed by the institution.
3. Schematic or description of existing hardware, software and communication configuration
4. Hardware/Server Information, including total number, virtualization, and application supported, inhouse/outsourced, etc.
5. Model numbers, serial numbers and specifications for all major hardware components utilized within the bank.
6. Description and list of remote access methods by vendor/partner/employee.
7. Description of current technology projects or planned initiatives.
8. List and status of all operations projects or initiatives currently under development or deployment.
9. Description and listing of software applications used by the bank, denoting source and whether the software is run on an in-house computer system or provided through an outsourcing arrangement.
10. Recent down time reports
11. List of all products supported on the system, including grandfathered products
12. Details of Services if providing banking services to any other financial institutions.
13. All standard form agreements used in the provision of products or services by the Bank or any subsidiary, including credit, deposits, processing, trading, trust agreements Cash Management, Merchant, ACH, RDC, Digital Banking, etc. and any related marketing material.
14. Describe Inbound and outbound Call Center Services
15. Description of all Digital Banking Products and Services
16. Description of branch automation capabilities
17. Number of Debit, Credit and Prepay and related volumes and fees
18. Item processing procedures (including cutoffs), volumes, cycles, turnaround times etc.
19. Description of cash management services, associated fees and revenue, customer

- listing including services being used.
- 20. List of arrangements or contracts with third parties for the marketing or sale of business cash management or other services
- 21. Description of float processing including how it is assigned to the account
- 22. Current operating policies relating to all products. Include account opening documents, disclosures, product brochures and fee schedules. Also include insurance and investment products, if any
- 23. Copies of all policies and procedures for Deposit and Loan Operations and IT
- 24. Staffing and space requirements.
- 25. Hours of operation.
- 26. Copy of Disaster recovery plan and results of the last test.
- 27. Deposit and Loan reconcilements as of _____

Deposits and Branch Banking: All Deposit data, current spot and MTD and YTD for current month and quarter end

1. Deposit trial balance including type, rate, branch and number of accounts.
2. List of 50 largest depositors and current aggregate amount of deposits.
3. List of any insider related deposits
4. Jumbo deposit schedule, number, balances and rate
5. Geographic overview of deposits by zip code
6. Schedule of amount, rates and maturities of brokered and out-of-state deposits.
7. Recent surveys of retail product pricing versus competitors for each banking market where pricing is differentiated
8. Deposit account breakdown for each branch and all branches in total (# by account type and \$ by account type)
9. Deposit stratification by product type including number of accounts and balances
10. List of all time deposits by account type, term, origination date, maturity date, rate and balance.
11. Description of product offerings and associated fees including disclosure statement and fee schedules
12. Branch information including, staffing, hours, services, ATM's and coin counting equipment:
13. Listing of out of territory and foreign deposits
14. Summary of service charges, waivers and collected fees by product type.
15. Copy of agreements for third party funding
16. Listing of CDAR's deposits

Other Information

1. Any other documents or information which, in the judgment of officers of the company are significant with respect to the company's business or which should be considered and reviewed in making disclosures regarding the business and financial condition of the company.
2. Any memorandum, correspondence or other documents relating to the resignation or discharge of counsel, auditors or any director or executive officer within the last 3 years.