



February 15, 2010

Dear Valued Customer,

The past two years have been very difficult for our nation, our state, our local communities, and, I hazard to guess, for you personally. The recession has made owning and operating a business difficult; forcing many employers to reduce overhead expenses through downsizing and layoffs. It has affected our neighbors, our friends and is evident in the high unemployment rates in Muskegon and Ottawa Counties.

There has been considerable discussion and press about banks and their role in the "economic melt-down." Many point to high risk mortgage loans, complex financial instruments and, in general, excessive or unmitigated risk taking. The vast majority of these high risk activities were not done at the nation's community banks, of which your bank, Community Shores, is one; yet the resulting economic crisis and severe decline in real estate values has negatively impacted community banks and our customers.

How has Community Shores weathered the crisis? Candidly, for us too, it has been difficult. From the day we opened 11 years ago, we have invested, focused and partnered with those in our local community. Unlike many banks in the area, we do not do business in other states, or for that matter, outside of West Michigan. As a result, the health of the local economy, the suffering of our local business partners and residents, is reflected in Community Shores having sustained losses. While not pleasant, through our own overhead reductions, expense control and balance sheet management, we have absorbed these losses and improved our risk based capital ratio 4 basis points over year end 2008. Our Bank is well capitalized according to regulatory standards. We are able to provide all of the financial services you have come to rely upon and expect from us, your local community bank.

Community Shores, unlike many banks, continues to have local lenders and professional staff work extensively with financially troubled businesses and individuals to find solutions that work for all of us: the bank, the customer and ultimately our community. Yes, there are costs associated with doing business this way. Yes, it often entails tough decisions and sacrifices, but is reflective of our commitment as a partner in sustaining and developing our local economy for the long, not short, term. While we are working hard to limit losses, return to profitability and help our distressed borrowers, we have not lost sight of our community banking values and our pledge to a level of service that exceeds your expectations. We are focused on the safety and soundness of your deposits and continue to offer a full array of FDIC insured products. We are enhancing your banking experience by offering electronic statements, online banking and bill payment services. And, we are excited to announce that early this spring we will be introducing a Visa Check Card Rewards Program; providing you with even more benefits and options.

At Community Shores Bank, we share your concerns about the future. Rest assured we are working hard to earn and keep your business. You are a valued partner to us in this difficult time. Please stop by any of our four branch locations to discuss your financial services needs, how to maximize FDIC insurance on your accounts, or to find out how your community bank supports our community.

Sincerely,

A handwritten signature in blue ink that reads "Heather D. Brolick". The signature is fluid and cursive.

Heather D. Brolick
President and Chief Executive Officer

