

**PURCHASE AND ASSUMPTION AGREEMENT
BY AND AMONG
OLD HARBOR BANK
AND
COMMUNITY BANK & COMPANY
DATED AS OF
JUNE 30, 2011**

ARTICLE 1	CERTAIN DEFINITIONS	1
1.1	Certain Definitions.....	1
1.2	Accounting Terms.....	7
ARTICLE 2	THE P&A TRANSACTION	8
2.1	Purchase and Sale of Acquired Assets.....	8
2.2	Assumption of Liabilities.....	8
2.3	Purchase Price.....	10
2.4	Assumption of IRA Account Deposits	10
ARTICLE 3	CLOSING PROCEDURES	10
3.1	Closing	10
3.2	Payment at Closing	11
3.3	Seller Deliveries.....	11
3.4	Purchaser Deliveries	13
3.5	Owned Real Property Filings.....	13
3.6	Allocation of Purchase Price.....	13
ARTICLE 4	TRANSITIONAL MATTERS	14
4.1	Transitional Arrangements.....	14
4.2	Customers	14
4.3	Access to Records	15
4.4	Interest Reporting and Withholding.....	16
4.5	Negotiable Instruments	16
4.6	Data Processing Conversion and Handling of Certain Items.....	16
ARTICLE 5	REPRESENTATIONS AND WARRANTIES OF SELLER.....	17
5.1	Corporate Organization and Authority	17
5.2	No Conflicts.....	17
5.3	Approvals and Consents	18
5.4	Leases.....	18
5.5	Litigation and Undisclosed Liabilities	18
5.6	Regulatory Matters.....	18
5.7	Compliance with Laws	19
5.8	Records	19
5.9	Financial Statements of the Seller.....	19
5.10	Absence of Undisclosed Liabilities	20

5.11	Loan Portfolio	20
5.12	Tax Matters	20
5.13	Title to Acquired Assets.....	21
5.14	Deposits.....	21
5.15	Environmental Laws; Hazardous Substances	21
5.16	Material Contracts.....	22
5.17	Brokers' Fees	23
5.18	Property	23
5.19	Absence of Certain Changes or Events.....	24
5.20	Employee Benefit Plans; Labor Matters	24
5.21	Post-Closing Condition.....	25
5.22	Fair Consideration.....	25
5.23	Accuracy of Information.....	25
ARTICLE 6	REPRESENTATIONS AND WARRANTIES OF PURCHASER.....	25
6.1	Corporate Organization and Authority	25
6.2	No Conflicts	26
6.3	Approvals and Consents	26
6.4	Brokers' Fees	26
ARTICLE 7	COVENANTS OF THE PARTIES	26
7.1	Activity in the Ordinary Course.....	26
7.2	Access and Confidentiality	28
7.3	Regulatory Approvals	30
7.4	Consents.....	31
7.5	Efforts to Consummate; Further Assurances	32
7.6	Insurance	33
7.7	Exclusive Dealing	33
7.8	Transferred Employees	33
ARTICLE 8	TAXES AND EMPLOYEES	34
8.1	Sales and Transfer Taxes	34
8.2	Information Returns.....	34
8.3	Assistance and Cooperation.....	34
8.4	Tax Treatment of Indemnification Payments	35
ARTICLE 9	CONDITIONS TO CLOSING	35

9.1	Conditions to Obligations of Purchaser	35
9.2	Conditions to Obligations of Seller	37
ARTICLE 10	TERMINATION.....	37
10.1	Termination.....	37
10.2	Effect of Termination.....	38
ARTICLE 11	INDEMNIFICATION.....	38
11.1	Indemnification	38
ARTICLE 12	MISCELLANEOUS	41
12.1	Survival.....	41
12.2	Assignment	41
12.3	Binding Effect.....	41
12.4	Public Notice.....	42
12.5	Notices	42
12.6	Expenses	43
12.7	Governing Law	43
12.8	Waiver of Jury Trial.....	43
12.9	Entire Agreement; Amendment	43
12.10	Third-Party Beneficiaries.....	43
12.11	Counterparts.....	43
12.12	Headings	44
12.13	Severability	44
12.14	Interpretation.....	44
12.15	Specific Performance	44

This PURCHASE AND ASSUMPTION AGREEMENT, dated as of June 30, 2011 (this "Agreement"), by and between OLD HARBOR BANK, a Florida commercial bank ("Seller"), and COMMUNITY BANK & COMPANY, a Florida commercial bank ("Purchaser").

RECITALS

A. Purchaser desires to acquire from Seller, and Seller desires to transfer to Purchaser, certain assets and liabilities of the Seller, in accordance with and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises and obligations set forth herein, the parties agree as follows:

ARTICLE 1 CERTAIN DEFINITIONS

1.1 Certain Definitions. The terms set forth below are used in this Agreement with the following meanings:

"Accrued Interest" means, as of any date, with respect to a Deposit, interest which is accrued on such Deposit to but excluding such date and not yet posted to the relevant deposit account.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person.

"Agreement" means this Purchase and Assumption Agreement, including all schedules, exhibits and addenda.

"Acquired Assets" has the meaning set forth in Section 2.1(a).

"Assumed Contracts" means each of the contracts set forth on Schedule 1.1(a) and any contracts entered into by Seller in accordance with Section 7.1; *provided that* no contract entered into by Seller in accordance with Section 7.1 shall be an "Assumed Contract" unless expressly agreed to by Purchaser. Schedule 1.1(a) shall be updated by Seller as of the date that is three (3) calendar days prior to the Closing Date (and delivered to Purchaser before the Closing Date).

"Assumed Liabilities" has the meaning set forth in Section 2.2.

"Benefit Plan" means each employee benefit plan, program or other arrangement that is sponsored or maintained by Seller or any of its Affiliates or to which Seller or any of its Affiliates contributes or is obligated to contribute, including any employee welfare benefit plan within the meaning of Section 3(1) of ERISA, any employee pension benefit plan within the meaning of Section 3(2) of ERISA (whether or not such plan is subject to ERISA) and any bonus, incentive, compensation, deferred compensation, vacation, stock purchase, stock option, severance, employment, change of control or fringe benefit plan, agreement, program or policy.

"Branch Lease Security Deposit" means any security deposit held by the lessor under a Branch Lease.

“Branch Leases” means the leases under which Seller leases land and/or buildings used as Branches, including ground leases, together with the real property interests, and any and all other rights, granted thereunder to Seller.

“Branches” means the banking offices of Seller at the locations identified on Schedule 1.1(b), and “Branch” refers to each such Branch or any one of the Branches.

“Business Day” means a day on which banks are generally open for business in Florida, and which is not a Saturday or Sunday.

“Cash on Hand” means, as of any date, all petty cash, vault cash, teller cash, ATM cash, coin counter cash and prepaid postage held at a Branch.

“Closing” and “Closing Date” refer to the closing of the P&A Transaction, which is to be held on such date as provided in Article 3 and which shall be deemed to be effective at 5:00 p.m.

“Code” means the Internal Revenue Code of 1986, as amended.

“Confidential Information” means (i) trade secrets, (ii) ideas, know-how, concepts, methods, processes, formulae, technology, algorithms, models, reports, data, customer lists, supplier lists, mailing lists, business plans and other proprietary information, in each case, that are non-public and derive value, monetary or otherwise, from being maintained in confidence, and (iii) all non-public personal information of loan applicants.

“Contract” means any contract, agreement, lease, license, arrangement, bilateral understanding, commitment, obligation or instrument, whether written or oral.

“Copyrights” means copyrights, whether registered or unregistered, in published works and unpublished works, and pending applications to register the same.

“Deposit(s)” means deposit liabilities with respect to deposit accounts of Seller as of the close of business on the Closing Date, that constitute “deposits” for purposes of the Federal Deposit Insurance Act, 12 U.S.C. § 1813, including collected and uncollected deposits and Accrued Interest, but excluding (1) any Excluded IRA Account Deposits, and (2) any liabilities which, notwithstanding Section 7.4, are not transferable pursuant to applicable law or regulation. Schedule 1.1(c) contains a complete and accurate list of Deposits as of June 29, 2011 with such schedule (A) specifying the identity of the accountholder and the type of account for each Deposit and (B) including a copy of the general terms and conditions governing each category of Deposits, and such schedule shall be updated by Seller as of the date that is three (3) days prior to the Closing Date (and delivered to Purchaser at least one (1) day before the Closing Date).

“Employment Agreement” has the meaning set forth in Section 5.20.

“Encumbrances” means all mortgages, claims, charges, liens, encumbrances, easements, limitations, restrictions, commitments and security interests, ordinances, restrictions, requirements, resolutions, laws or orders of any governmental authority now or hereafter acquiring jurisdiction over the Acquired Assets, and all amendments or additions thereto in force as of the date of this Agreement or in force as of the Closing Date, and other matters now of

public record relating to the Real Property, except for statutory liens securing Taxes and/or other payments not yet due, liens incurred in the ordinary course of business, including liens in favor of mechanics or materialmen, and any such matters as do not materially and adversely affect the current use of the properties or assets subject thereto or affected thereby or which otherwise do not materially impair the business operations at such properties.

“Environmental Laws” means all Laws relating to pollution or protection of human health or the environment (including ambient air, surface water, ground water, land surface, or subsurface strata) and which are administered, interpreted, or enforced by the United States Environmental Protection Agency and state and local agencies with jurisdiction over, and including common law in respect of, pollution or protection of the environment, including the Comprehensive Environmental Response Compensation and Liability Act, as amended, 42 U.S.C. 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 et seq., and other Laws relating to emissions, discharges, releases, or threatened releases of any Hazardous Material, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of any Hazardous Material.

“Equipment Leases” means, collectively, all equipment leases of the Seller, including the leases set forth on Schedule 1.1(d).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules, regulations and class exemptions of the U.S. Department of Labor thereunder.

“Excluded Assets” has the meaning set forth in Section 2.1(b).

“Excluded Liabilities” has the meaning set forth in Section 2.2(b).

“Facilities” means the facilities of Seller at the locations identified on Schedule 1.1(e) hereto, and “Facility” refers to each such Facility or any one of the Facilities.

“Facility Lease Security Deposit” means any security deposit held by the lessor under a Facility Lease.

“Facility Leases” means the leases under which Seller leases land and/or buildings used as the Facilities, including ground leases, together with the real property interests, and any and all other rights, granted thereunder to Seller as tenant.

“FDIC” means the Federal Deposit Insurance Corporation.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System.

“GAAP” has the meaning set forth in Section 1.2.

“Hazardous Materials” shall mean all substances defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, or defined as such by, or regulated as such under, any Environmental Law.

“IRA” means an “individual retirement account” or similar account created by a trust for the exclusive benefit of any individual or his beneficiaries in accordance with the provisions of Section 408 of the Code.

“IRS” means the Internal Revenue Service.

“Intellectual Property” means all (a) Patents, (b) Marks, (c) Copyrights, (d) mask works and registrations or applications for registration thereof, (e) Software, (f) Internet web sites, domain names, email addresses and telephone numbers, (g) licenses or franchises from nongovernmental third Persons, (h) Confidential Information, (i) the goodwill of the business associated with or embodied by any of the foregoing, (j) other similar proprietary rights and (k) copies and tangible embodiments of any of the foregoing.

“Item” means checks, drafts, negotiable orders of withdrawal and items of a like kind which are drawn on or deposited and credited to the Deposit accounts.

“Investment Assets” means all of the investment assets of Seller, including the assets listed in Schedule 1.1(f). Schedule 1.1(f) contains a complete and accurate list of the Investment Assets as of June 29, 2011, and such list shall be updated by Seller as of the date that is three (3) days prior to the Closing Date (and delivered to Purchaser at least one (1) day before the Closing Date).

“Leased Real Property” means Real Property leased by Seller.

“Liability” means any debt, liability or obligation, whether known or unknown, asserted or unasserted, absolute or contingent, matured or unmatured, conditional or unconditional, latent or patent, accrued or unaccrued, liquidated or unliquidated, or due or to become due.

“Litigation” means any action, arbitration, cause of action, claim, complaint, criminal prosecution, demand letter, governmental or other examination or investigation, hearing, inquiry, administrative or other proceeding, or notice by any Person alleging potential liability.

“Loan Documents” includes promissory notes, mortgages, assignments, security agreements, guarantees and all other Security Instruments relating to Loans included in the Loan Portfolio.

“Loans” means all of the loans, letters of credit, revolving credit facilities or other extensions of credit of Seller, together with accrued interest and any deficiencies related to such Loans, or commitments to extend credit to or for the benefit of a customer of Seller. Schedule 1.1(g) contains a complete and accurate list of the Loans as of June 29, 2011, and such list shall be updated by Seller as of the date that is three (3) calendar days prior to the Closing Date (and delivered to Purchaser at least one (1) day before the Closing Date).

“Loss” means the amount of (i) losses, (ii) liabilities, (iii) damages and (iv) reasonable attorneys fees and other expenses actually incurred by the indemnified party or its Affiliates in connection with the matters described in Section 11.1.

“Material Adverse Effect” means, with respect to Seller, a material adverse effect on (i) the business or results of operations or financial condition of the Seller, the Branches, the Facilities, the Acquired Assets and the Assumed Liabilities, taken as a whole (excluding any effect to the extent resulting from (A) changes, after the date hereof, in generally accepted accounting principles or regulatory accounting requirements applicable to banks or savings associations and their holding companies generally, (B) changes, after the date hereof, in laws, rules or regulations of general applicability or interpretations thereof by courts or governmental agencies or authorities, (C) changes, after the date hereof, in global or national political conditions or in general U.S. or global economic or market conditions affecting banks or their holding companies generally (including general changes in interest or exchange rates or in credit availability and liquidity), (D) public disclosure of this Agreement, including the impact thereof on customers, suppliers, licensors and employees and others having business relationships with the Branches and Facilities, (E) the commencement, occurrence, continuation or intensification of any war, sabotage, armed hostilities or acts of terrorism not directly involving or impacting the Acquired Assets or the Assumed Liabilities, or (F) actions by Purchaser or Seller taken pursuant to the express requirements of this Agreement; or (ii) the ability of Seller to perform any of its financial or other obligations under this Agreement, including the ability of Seller to timely consummate the P&A Transaction as contemplated by this Agreement.

“Marks” means registered or unregistered trademarks, service marks, trade dress, logos, trade names, brand names, corporate names and registrations or applications of the foregoing.

“Net Book Value” shall mean the book value of the Acquired Assets, less the amount of the Assumed Liabilities, calculated in accordance with GAAP.

“OFR” means the State of Florida Office of Financial Regulation.

“Order” has the meaning set forth in Section 9.1(b).

“Owned Real Property” means Real Property owned by Seller.

“P&A Transaction” means the purchase and sale of Acquired Assets and the assumption of Assumed Liabilities described in Article 2.

“Patents” means United States and non-United States patents, patent applications (including provisional applications), patent disclosures, continuations, continuations-in-part, divisions, reissues, reexaminations, utility models, industrial designs, certificates of invention, inventions (whether or not patentable or reduced to practice), improvements to the foregoing and applications and registrations of the foregoing.

“Person” means any individual, corporation, company, partnership (limited or general), limited liability company, joint venture, association, trust or other business entity.

“Personal Property” means all of the personal property of Seller and used or held for use in the business or operation of the Seller consisting of the trade fixtures, shelving, furniture, leasehold improvements, on-premises ATMs (excluding Seller licensed software), equipment, security systems, safe deposit boxes (exclusive of contents), vaults and sign structures. Schedule 1.1(h) contains a complete and accurate list of the Personal Property as of June 29, 2011 and

such list shall be updated by Seller as of the date that is three (3) days prior to the Closing Date (and delivered to Purchaser at least one (1) day before the Closing Date).

“POS” has the meaning set forth in Section 4.8.

“Property Taxes” means real, personal, and intangible ad valorem property Taxes.

“Purchase Price” has the meaning set forth in Section 2.3.

“Real Property” means the parcels of real property on which the Branches and Facilities listed on Schedule 1.1(i) are located, including any improvements thereon and any easements, concessions, licenses or similar rights appurtenant thereto, which Schedule indicates whether or not such real property is Owned Real Property or Leased Real Property.

“Records” means all records and original documents, or where reasonable, appropriate copies thereof, in Seller’s possession or control that pertain to and are used by Seller to administer, reflect, monitor, evidence or record information respecting the business or conduct of Seller (including transaction tickets through the Closing Date and excluding any other transaction tickets and records for closed accounts) and all such records and original documents, or where reasonable and appropriate copies thereof, regarding the Acquired Assets, or the Assumed Liabilities, including customer lists and all such records maintained in a network (including any remote location) or on electronic or magnetic media in the electronic database system of Seller, or to comply with the applicable laws and governmental regulations to which the Assumed Liabilities are subject, including applicable unclaimed property and escheat laws; *provided, however*, that Records shall not include general books of account and books of original entry that comprise Seller’s permanent tax records, the books and records that Seller is required to retain pursuant to any applicable law or order and the books and records related exclusively to the Excluded Assets or the Excluded Liabilities or personnel records that Seller is required by law to retain; and *provided, further*, that Purchaser shall be entitled to receive, at its expense, copies of the items set forth in the preceding proviso to the extent information set forth therein relates to the Acquired Assets or the Assumed Liabilities.

“Regulatory Approvals” means the approval of the FDIC, the OFR and any other Regulatory Authority required to consummate the P&A Transaction.

“Regulatory Authority” means any federal or state banking, other regulatory, self-regulatory or enforcement authority or any court, administrative agency or commission or other governmental authority or instrumentality.

“Returned Items” has the meaning set forth in Section 4.9(c).

“Safe Deposit Agreements” means the agreements relating to safe deposit boxes located in the Branches.

“Seller Disclosure Schedule” means the disclosure schedule of Seller delivered to Purchaser in connection with the execution and delivery of this Agreement.

“Seller Employees” means the current and former employees of Seller, and shall be deemed to include all employees who provide services to the Seller through any employment leasing company.

“Seller’s knowledge” or other similar phrases means information that is actually known to the Persons set forth on Schedule 1.1(j).

“Tax Returns” means any report, return, declaration, statement, claim for refund, information return or statement relating to Taxes or other information or document required to be supplied to a taxing authority in connection with Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Taxes” means all taxes, charges, fees, levies or other like assessments, including income, gross receipts, excise, real and personal and intangible property, sales, use, transfer (including transfer gains taxes), withholding, license, payroll, recording, ad valorem and franchise taxes, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, whether disputed or not and including any obligation to indemnify or otherwise assume or succeed to the tax liability of another Person, imposed by the United States, or any state, local or foreign government or subdivision or agency thereof and such term shall include any interest, penalties or additions to tax attributable to such assessments.

“Tenant Leases” means leases, subleases, licenses or other use agreements between Seller and tenants with respect to Real Property, if any.

“Tenant Security Deposit” means any security deposit held by Seller with respect to a Tenant Lease.

“Title Insurance” has the meaning set forth in Section 3.3.

“Title Policy” has the meaning set forth in Section 3.3.

“Third Party Claim” has the meaning set forth in Section 11.1(d).

“Transaction Account” means any account in respect of which deposits therein are withdrawable in practice upon demand or upon which third party drafts may be drawn by the depositor, including checking accounts, negotiable order of withdrawal accounts and money market deposit accounts.

“Transfer Taxes” has the meaning set forth in Section 8.2.

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988, as amended, and any similar state or local laws.

1.2 Accounting Terms. All accounting terms not otherwise defined herein shall have the respective meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time in the United States of America (“GAAP”).

ARTICLE 2
THE P&A TRANSACTION

2.1 Purchase and Sale of Acquired Assets.

(a) Subject to the terms and conditions set forth in this Agreement, at the Closing, Seller shall grant, sell, convey, assign, transfer and deliver to Purchaser, and Purchaser shall purchase and accept from Seller, all of Seller's right, title and interest, as of the Closing Date, in and to all of the assets (real, personal and mixed, wherever located and however acquired), of the Seller whether or not reflected on the books of the Seller as of the Closing Date (collectively, the "Acquired Assets"), including but not limited to the following:

- (i) the cash and cash equivalents of the Seller, including Cash on Hand;
- (ii) the Investment Assets;
- (iii) the Loans;
- (iv) the Owned Real Property;
- (v) the Personal Property;
- (vi) the Branch Leases, Facility Leases and Tenant Leases;
- (vii) the Branch Lease Security Deposits, the Tenant Security Deposits and the Facility Lease Security Deposits;
- (viii) the Equipment Leases;
- (ix) the Assumed Contracts;
- (x) the Seller Intellectual Property, all Confidential Information of the Business and the Acquired Assets and all goodwill associated therewith, including the Internet web sites and domain names and the telephone numbers listed in Schedule 2.1(a);
- (xi) the Safe Deposit Agreements;
- (xii) the Records; and
- (xiii) the other Acquired Assets listed on Schedule 2.1(a).

(b) Purchase shall not purchase any of the assets listed on Schedule 2.1(b) (the "Excluded Assets").

2.2 Assumption of Liabilities.

(a) Subject to the terms and conditions set forth in this Agreement, at the Closing, Purchaser shall assume, pay, perform and discharge the duties, responsibilities, obligations and liabilities of Seller to be discharged, performed, satisfied or paid on or after the Closing Date with respect to the following (collectively, the “Assumed Liabilities”):

- (i) the Deposits, including IRA Accounts to the extent contemplated by Section 2.4;
- (ii) the Personal Property, Branch Leases, Facility Leases, and Tenant Leases;
- (iii) the Safe Deposit Agreements;
- (iv) the Equipment Leases and the Assumed Contracts; and
- (v) the liabilities listed on Schedule 2.2(a).

(b) Other than the Assumed Liabilities expressly assumed hereunder, Purchaser shall not assume or be bound by any duties, responsibilities, obligations or liabilities, including those of Seller or of any of Seller’s Affiliates, of any kind or nature, known, unknown, contingent or otherwise (the “Excluded Liabilities”). The Excluded Liabilities will remain the sole responsibility of and will be retained, paid, performed and discharged as and when due solely by Seller. “Excluded Liabilities” include but are not limited to, the following Liabilities of Seller:

(c) All Liabilities, including repurchase, warranty and indemnification obligations, associated with Loans;

(d) All Liabilities of Seller to its Affiliates;

(e) All Liabilities arising from or in respect of the Excluded Assets;

(f) All Liabilities relating to or arising from any claims by any stockholders of the Seller;

(g) All Liabilities relating to or arising from any actions or omissions occurring prior to or in connection with the Closing;

(h) All Liabilities relating to or arising from any Litigation against Seller pending or arising on or before the Closing Date;

(i) All Liabilities arising out of or relating to the WARN Act;

(j) All Liabilities with respect to wages, bonuses and commissions and any other compensation and other amounts owed to any Seller Employee that are payable with respect to services performed by such individuals prior to the Closing;

(k) All Liabilities arising out of or relating to any claims by any current or former employee of the Seller, with respect to any personal injuries, including workers’ compensation or

disabilities, allegedly arising during their employment or engagement by the Seller, regardless of when any such claim is made or asserted;

- (l) All Liabilities arising out of or relating to any Seller Benefit Plan; and
- (m) All Liabilities for Taxes, other than Property Taxes on the Owner Real Estate.

2.3 Purchase Price. The purchase price ("Purchase Price") for the Acquired Assets shall be equal to \$1.00.

2.4 Assumption of IRA Account Deposits.

(a) With respect to Deposits in IRAs, Seller will use commercially reasonable efforts and will cooperate with Purchaser in taking any action reasonably necessary to accomplish either the appointment of Purchaser as successor custodian or the delegation to Purchaser (or to an Affiliate of Purchaser) of Seller's authority and responsibility as custodian of all such IRA deposits (except self-directed IRA deposits), including sending to the depositors thereof appropriate notices, cooperating with Purchaser (or such Affiliate) in soliciting consents from such depositors, and filing any appropriate applications with applicable Regulatory Authorities. If any such delegation is made to Purchaser (or such Affiliate), Purchaser (or such Affiliate) will perform all of the duties so delegated and comply with the terms of Seller's agreement with the depositor of the IRA deposits affected thereby.

(b) If, notwithstanding the foregoing, as of the Closing Date, Purchaser shall be unable to retain deposit liabilities in respect of an IRA Account, such deposit liabilities, which shall on or prior to the Closing Date be set forth on Schedule 2.4(b), shall be excluded from Deposits for purposes of this Agreement and shall constitute "Excluded IRA Account Deposits."

(c) Calculation of Net Book Value. Three (3) days prior to the Closing Date, the Seller and the Purchaser will jointly prepare a good faith estimate of the balance sheet for the Seller as of the Closing Date, including a good faith calculation of the Net Book Value as of the Closing Date. The joint calculation of Net Book Value will be utilized by the parties for purposes of the condition set forth in Section 9.1(h).

ARTICLE 3 CLOSING PROCEDURES

3.1 Closing.

(a) The Closing will be held at the offices of Shutts & Bowen LLP, Miami, Florida at 201 South Biscayne Boulevard, Miami, Florida 33131, or such other place as may be agreed to by the parties.

(b) Subject to the satisfaction or, where legally permitted, the waiver of the conditions set forth in Article 9, the Closing Date shall be on the later of (i) July 31, 2011 and (ii) the first Friday that is at least five (5) Business Days after the satisfaction or waiver (subject to applicable law) of each of the conditions set forth in Article 9 (other than those conditions that

by their nature are to be satisfied or waived at the Closing but subject to the satisfaction or waiver of those conditions).

3.2 Payment at Closing.

- (a) At the Closing, Purchaser shall pay to Seller the Purchase Price.
- (b) At the Closing, the Seller shall pay all Transfer Taxes due or incurred in connection with the transactions contemplated by this Agreement.
- (c) All payments to be made hereunder shall be made by wire transfer of immediately available funds (in all cases to an account specified in writing by Seller not later than the third (3rd) Business Day prior to the Closing Date) on or before 12:00 noon, on the date of payment.
- (d) If any instrument of transfer contemplated herein shall be recorded in any public record before the Closing and thereafter the Closing does not occur, then at the request of such transferring party the other party will deliver (or execute and deliver) such instruments and take such other action as such transferring party shall reasonably request to revoke such purported transfer.

3.3 Seller Deliveries. At the Closing, Seller shall deliver to Purchaser:

- (a) Loan assignments and other instruments of conveyance as may be necessary to sell, transfer and convey all right, title and interest in and to the Loans to Purchaser, which documents shall be prepared by Purchaser and subject to the reasonable approval of Seller;
- (b) Special warranty deeds and other instruments of conveyance as may be necessary to sell, transfer and convey all right, title and interest in and to the Owned Real Property to Purchaser, free and clear of all Encumbrances (other than customary title exceptions that do not impair in any material respect Purchaser's possession, use or enjoyment of any of the Owned Real Property), which documents shall be prepared by Purchaser and subject to the reasonable approval of Seller;
- (c) Assignments and other instruments of transfer as may be necessary to sell, transfer and convey all right, title and interest in and to the Investment Assets to Purchaser, which documents shall be prepared by Purchaser and subject to the reasonable approval of Seller;
- (d) A bill of sale pursuant to which the Personal Property shall be transferred to Purchaser, which document shall be prepared by Purchaser and subject to the reasonable approval of Seller;
- (e) An assignment and assumption agreement with respect to the Assumed Liabilities, which document shall be prepared by Purchaser and subject to the reasonable approval of Seller;
- (f) Lease assignment and assumption agreements, in recordable form, with respect to each of the Branch Leases, which documents shall be prepared by Purchaser and subject to the reasonable approval of Seller;

(g) Lease assignment and assumption agreements, in recordable form, with respect to each of the Facility Leases, which documents shall be prepared by Purchaser and subject to the reasonable approval of Seller;

(h) Assignment and assumption agreements with respect to each of the Tenant Leases, which documents shall be prepared by Purchaser and subject to the reasonable approval of Seller;

(i) Assignment and assumption agreements in substantially the form of Schedule 3.3(i), with respect to each of the Equipment Leases (the "Equipment Lease Assignments");

(j) Assignment and assumption agreements with respect to each of the Assumed Contracts, which documents shall be prepared by Purchaser and subject to the reasonable approval of Seller;

(k) The consent of the landlord/lessor to the assignment of the each of the Branch Leases and the Facility Leases, which documents shall be prepared by Purchaser and subject to the reasonable approval of Seller;

(l) The certificate required to be delivered by Seller pursuant to Section 9.1(e);

(m) Seller's resignation as trustee or custodian, as applicable, with respect to each IRA Account included in the Deposits and designation of Purchaser as successor trustee or custodian with respect thereto, as contemplated by Section 2.4;

(n) A certificate of non-foreign status pursuant to Treasury Regulations Section 1.1445-2(b)(2) from Seller, duly executed and acknowledged, substantially in the form of the sample certificates set forth in Treasury Regulation 1.1445-2(b)(2)(iv);

(o) Affidavits and such other customary documentation as shall be reasonably required by a title company selected by Purchaser and reasonably acceptable to Seller to issue title insurance policies (each, a "Title Policy," and collectively, the "Title Insurance") with respect to the Real Property insuring Purchaser or its designee as either owner of marketable fee simple title (in the case of each of the Owned Real Properties) or holder of marketable leasehold interest (in the case of each of the Leased Real Properties);

(p) Seller's keys to the safe deposit boxes and all other records as exist and are in Seller's possession or control related to the safe deposit box business at the Branches;

(q) Seller's records related to the Deposits assumed by Purchaser hereunder as exist and are in the possession or control of Seller;

(r) The original contracts, agreements, leases and other documentation related to the Acquired Assets and the Assumed Liabilities;

(s) A certified copy of the resolutions of the board of directors and shareholders of Seller approving the transactions contemplated hereby; and

(t) Such other documents as the parties determine are reasonably necessary to consummate the P&A Transaction as contemplated hereby.

3.4 Purchaser Deliveries. At the Closing, Purchaser shall deliver to Seller:

- (a) The assignment and assumption documents described in Section 3.3;
- (b) Purchaser's acceptance of its appointment as successor trustee or custodian, as applicable, of the IRA Accounts included in the Deposits and assumption of the fiduciary obligations of the trustee or custodian with respect thereto, as contemplated by Section 2.4;
- (c) The certificate required to be delivered by Purchaser pursuant to Section 9.2(e);
and
- (d) Such other documents as the parties determine are reasonably necessary to consummate the P&A Transaction as contemplated hereby.

3.5 Owned Real Property Filings. On the Closing Date, Seller shall file or record, or cause to be filed or recorded, any and all documents necessary in order that the legal and equitable title to Owned Real Property (and to each parcel of Leased Real Property with respect to which Purchaser shall choose to acquire Title Policies) shall be duly vested in Purchaser. Any expenses with respect to such filings and all escrow closing costs shall be borne by Seller, and the cost of the Title Insurance shall be borne by the Purchaser.

3.6 Allocation of Purchase Price.

(a) The parties agree to allocate the sum of the Purchase Price and the Assumed Liabilities as determined by the Purchaser, on the basis of the fair market value of the Acquired Assets, subject to the Seller's consent (which consent will not be unreasonably withheld or delayed). The Purchaser agrees to propose an initial allocation no later than 90 days after the Closing. The allocation ultimately consented to by the Seller is referred to in this Agreement as the "Allocation Statement".

(b) The Seller and the Purchaser agree to report an allocation of the Purchase Price and the Assumed Liabilities in a manner entirely consistent with the Allocation Statement and to act in accordance with the Allocation Statement in the preparation of financial statements and the filing of all Tax Returns (including filing Form 8594 with its federal income tax return for the taxable year that includes the Closing Date and any other forms or statements required by the Code or the Internal Revenue Service) and in the course of any Tax audit, Tax review or Tax Litigation relating thereto; provided that neither the Seller nor the Buyers will be obligated to litigate any challenge to the allocation of the Purchase Price (and Assumed Liabilities) by a Governmental Authority. The Seller and the Purchaser will promptly inform each other of any challenge by any Governmental Authority to any allocation made pursuant to this Section 3.6 and agree to consult with and keep each other informed with respect to the status of, and any discussion, proposal or submission with respect to, any challenge.

ARTICLE 4
TRANSITIONAL MATTERS

4.1 Transitional Arrangements. Seller and Purchaser agree to cooperate and to proceed as follows to effect the transfer of the Acquired Assets and Assumed Liabilities:

(a) Not later than three (3) days after the date of this Agreement, Seller will meet with Purchaser at Seller's headquarters to investigate, confirm and agree upon mutually acceptable transaction settlement procedures and specifications, files, procedures and schedules, for the transfer of the Acquired Assets and Assumed Liabilities.

(b) Seller shall use commercially reasonable efforts to deliver to Purchaser the specifications and conversion sample files within (10) days after the date of this Agreement.

(c) From time to time prior to the Closing, after Purchaser has tested and confirmed the conversion sample files, Purchaser may request and Seller shall provide reasonable additional file-related information, including complete name and address, account masterfile, ATM account number information, applicable transaction and stop/hold/caution information, account-to-account relationship information and any other related information with respect to the Loans and the Deposits.

4.2 Customers.

(a) Promptly after the Closing Date (except as otherwise required by applicable law):

(i) Purchaser will notify the holders of Deposits transferred on the Closing Date that, subject to the terms and conditions of this Agreement, Purchaser has assumed liability for such Deposits; and

(ii) each of Seller and Purchaser shall provide, or join in providing where appropriate, all notices to customers of the Branches and other Persons that either Seller or Purchaser, as the case may be, is required to give under applicable law or the terms of any other agreement between Seller and any customer in connection with the transactions contemplated hereby.

A party proposing to send or publish any notice or communication pursuant to this Section 4.2 shall furnish to the other party a copy of the proposed form of such notice or communication, to the extent reasonably practicable, three (3) Business Days in advance of the proposed date of the first mailing, posting, or other dissemination thereof to customers, and shall not unreasonably refuse to amend such notice to incorporate any changes that the other such party proposes as necessary to comply with applicable law. All costs and expenses of any notice or communication sent or published by Purchaser or Seller shall be the responsibility of the party sending such notice or communication and all costs and expenses of any jointly sent notice or communication shall be shared equally by Seller and Purchaser. Seller shall use its commercially reasonable efforts to, as soon as reasonably practicable and in any event within ten (10) calendar days after the date hereof, provide to Purchaser a report of the names and addresses of the owners of the Deposits and the lessees of the safe deposit boxes as of a recent date in connection with the mailing of such materials and Seller shall provide updates to such report at reasonable intervals

thereafter upon the reasonable request of Purchaser from time to time. No communications by Purchaser, and no communications by Seller outside the ordinary course of business, to any such owners, borrowers, customers or lessees as such shall be made prior to the Closing Date except as provided in this Agreement or otherwise agreed to by the parties in writing.

(b) Neither Purchaser nor Seller shall object to the use, by depositors of the Deposits, of payment orders issued to or ordered by such depositors on or prior to the Closing Date, which payment orders bear the name, or any logo, trademark, service mark or the proprietary mark of Seller; *provided, however*, that Purchaser may notify Deposit account customers that, upon the expiration of a post-Closing processing period, which shall be at least ninety (90) calendar days after the Closing Date (the "Post-Closing Processing Period"), any Items that are drawn on Seller shall not thereafter be honored by Seller. Such notice shall be given by delivering written instructions to such effect to such Deposit account customers in accordance with this Section 4.2.

(c) During the period beginning on the Closing Date and ending on the ninetieth (90th) calendar day thereafter, Seller shall, by commercially reasonable efforts and at Purchaser's expense, (A) accept as a correspondent bank for forwarding to Purchaser all Items that are presented to Seller for payment or credit in any manner including through Seller's Federal Reserve cash letters or correspondent bank cash letters or deposited by Deposit account customers, correspondent banks or others but excluding ATM withdrawals, deposits and transfers unless initiated with an automated teller machine card issued by Purchaser; and (B) send all such items in the form of an ICL (Image Cash Letter) no later than 8:00 a.m., on the Business Day after presentation to Seller. For deposits processed in error by Seller, copies of the deposit slips and copies of the deposited items will be batched and provided to Purchaser by 12:00 noon, on the next Business Day and will be provided via secured email to allow memo posting of the deposits to the customer accounts.

4.3 Access to Records.

(a) From and after the Closing Date, each of the parties shall permit the other, at such other party's sole expense, reasonable access to any applicable Records in its possession or control relating to matters arising on or before the Closing Date and reasonably necessary, solely in connection with (i) accounting purposes, (ii) regulatory purposes, (iii) any claim, action, Litigation involving the party requesting access to such Records, (iv) any legal obligation owed by such party to any present or former depositor or other customer, or (v) Tax purposes, subject to confidentiality requirements. Such party requesting such access shall not use the Records or any information contained therein or derived therefrom for any other purpose whatsoever. All Records, whether held by Purchaser or Seller, shall be maintained for such periods as are required by law, unless the parties shall agree in writing to a longer period. Between the date hereof and the Closing Date, Purchaser and Seller shall use commercially reasonable efforts to agree to policies and procedures to be followed by each party in connection with any request by Purchaser, following the Closing Date, for Seller to provide it with Records retained by Seller following the Closing.

(b) Each party agrees that any records or documents that come into its possession as a result of the transactions contemplated by this Agreement, to the extent relating to the other party's business and not relating to the Acquired Assets, the Assumed Liabilities or the business of the Branches (which becomes the property of Purchaser), shall remain the property of the

other party, and shall, upon the other party's request from time to time and as it may elect in its sole discretion, be returned to the other party or destroyed, and each party agrees not to make any use of such records or documents and to keep such records and documents confidential in accordance with Section 7.2(c).

4.4 Interest Reporting and Withholding.

(a) Unless otherwise agreed to by the parties, Seller will report to applicable taxing authorities and holders of Deposits, with respect to the period from January 1 of the year in which the Closing occurs through the Closing Date, all interest (including dividends and other distributions with respect to money market accounts) credited to, withheld from and any early withdrawal penalties imposed upon, the Deposits. Purchaser will report to the applicable taxing authorities and holders of Deposits, with respect to all periods from the day after the Closing Date, all such interest credited to, withheld from and any early withdrawal penalties imposed upon, the Deposits, to the extent required by law. Any amounts required by any governmental agencies to be withheld from any of the Deposits through the Closing Date will be withheld by Seller in accordance with applicable law or appropriate notice from any governmental agency and will be remitted by Seller to the appropriate agency on or prior to the applicable due date. Any such withholding required to be made subsequent to the Closing Date will be withheld by Purchaser in accordance with applicable law or appropriate notice from any governmental agency and will be remitted by Purchaser to the appropriate agency on or prior to the applicable due date.

(b) Unless otherwise agreed by the parties, Seller shall be responsible for delivering to payees all IRS notices and forms with respect to information reporting and tax identification numbers required to be delivered through the Closing Date with respect to the Deposits, and Purchaser shall be responsible for delivering to payees all such notices and forms required to be delivered following the Closing Date with respect to the Deposits.

4.5 Negotiable Instruments. Seller will remove any supply of Seller's money orders, official checks, gift checks, travelers' checks or any other negotiable instruments located at each of the Branches on the Closing Date.

4.6 Data Processing Conversion and Handling of Certain Items.

(a) The conversion of the data processing with respect to the Acquired Assets and Assumed Liabilities will be completed on the Closing Date unless otherwise agreed to by the parties. Seller and Purchaser agree to cooperate and each to use commercially reasonable efforts to facilitate the orderly transfer of data processing information in connection with the P&A Transaction and to accomplish the conversion of all the Seller's data relating to the Acquired Assets and Assumed Liabilities into a form that may be utilized, as of the Closing Date, by the processing, reporting, and other systems of Purchaser. After the receipt of the Regulatory Approvals, Purchaser and/or its representatives shall be permitted reasonable access (subject to the provisions of Section 7.2(a)) to each Branch for the purpose of installing Purchaser's automated equipment for use by Branch personnel. Following the receipt of the Regulatory Approvals (except for the expiration of statutory waiting periods) or with the approval of Seller, Purchaser shall be permitted, at its expense and without unreasonably interfering with the operations of the Branches, to install and test communication lines, both internal and external,

from each site and prepare for the installation of automated equipment on the Closing Date. The parties acknowledge and agree that all such lines and other equipment is proprietary to Purchaser and that Purchaser shall have access to each Branch for purposes of removing such property in the event that the Closing does not occur.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser as follows, except as set forth in the Seller Disclosure Schedule:

5.1 Corporate Organization and Authority. Seller is a commercial bank, duly organized and validly existing under the laws of the State of Florida, and has the requisite power and authority to conduct the business now being conducted by Seller. Seller has the requisite corporate power and authority and has taken all corporate action necessary in order to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and (assuming due authorization, execution and delivery by Purchaser) is a valid and binding agreement of Seller enforceable against Seller in accordance with its terms subject, as to enforcement, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

5.2 No Conflicts. The execution, delivery and performance of this Agreement by Seller does not, and will not, (i) violate any provision of its charter or by-laws, (ii) subject to Regulatory Approvals, violate or constitute a breach of, or default under, any law, rule, regulation, judgment, decree, ruling or order of any court, government or governmental agency to which Seller is subject or any agreement or instrument of Seller, or to which Seller is subject or by which Seller is otherwise bound, which violation, breach, contravention or default referred to in this clause (ii), individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect (assuming the receipt of any required third party consents under the Branch Leases, the Equipment Leases, the Facility Leases and the Assumed Contracts in respect of the transactions herein contemplated) or (iii) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event that with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Encumbrance upon any of the Acquired Assets under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Seller is a party, or by which it or any of its properties or assets may be bound or affected, which breach, conflict, loss of benefit, termination, cancellation, acceleration, Encumbrance, violation or default would materially impact the Acquired Assets and Assumed Liabilities or materially prevent or delay Seller from performing its obligations under this Agreement in all material respects. Seller has all licenses, franchises, permits, certificates of public convenience, orders and other authorizations of all federal, state and local governments and governmental authorities necessary for the lawful conduct of its business as now conducted in all material respects, and all such material licenses, franchises, permits, certificates of public convenience, orders and other authorizations are valid and in good standing and, to Seller's knowledge, are not subject to any suspension, modification, revocation or proceedings related thereto.

5.3 Approvals and Consents. Other than Regulatory Approvals or as set forth in Section 5.3 of the Seller Disclosure Schedule, no notices, reports or other filings are required to be made by Seller with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by Seller from, any governmental or regulatory authorities of the United States or the several States in connection with the execution and delivery of this Agreement by Seller and the consummation of the transactions contemplated hereby by Seller. There are no consents or approvals of any other third party required to be obtained in connection with the execution and delivery of this Agreement by Seller and the consummation of the transactions contemplated by this Agreement by Seller.

5.4 Leases. Each Branch Lease, each Facility Lease and each Tenant Lease is the valid and binding obligation of Seller, and to Seller's knowledge, of each other party thereto; and there does not exist with respect to Seller's material obligations thereunder, or, to Seller's knowledge, with respect to the material obligations of the other party thereto, any default, or event or condition that constitutes or, after notice or passage of time or both, would constitute a default on the part of Seller or the lessor or sublessee, as applicable, under any such Branch Lease, Facility Lease or Tenant Lease. As used in this Section 5.4, the term "lessor" includes any sub-lessor of the property to Seller. The Branch Leases and Facility Leases give Seller the right to occupy the building and land comprising the related Branch or Facility, as applicable, in accordance with the terms of such Branch Lease or Facility Lease. Other than the Tenant Leases, there are no leases to third parties relating to any Branch or any Facility created or suffered to exist by Seller.

5.5 Litigation and Undisclosed Liabilities. Except as set forth in Section 5.5 of the Seller Disclosure Schedule, there are no Litigation or other proceedings or any decree, injunction, judgment, order or ruling entered, promulgated or pending or, to Seller's knowledge, threatened against Seller or affecting or relating to in any manner the Branches, the Facilities, the Acquired Assets or the Assumed Liabilities or against any of the Branches. To Seller's knowledge, there are no facts or circumstances that would reasonably be expected to result in any material claims, obligations or liabilities with respect to the Seller or the Branches, the Facilities, the Acquired Assets or the Assumed Liabilities other than as otherwise disclosed in this Agreement, including the Schedules hereto and the Seller Disclosure Schedule.

5.6 Regulatory Matters.

(a) Except as set forth in Section 5.6 of the Seller Disclosure Schedule, there are no pending or, to Seller's knowledge, threatened disputes or controversies between Seller and any federal, state or local governmental agency or authority materially affecting the Branches, the Facilities, the Acquired Assets or the Assumed Liabilities.

(b) Neither Seller nor any of its Affiliates has received any indication from any federal or state governmental agency or authority that such agency would oppose or refuse to grant a Regulatory Approval and Seller knows of no reason relating to Seller or its Affiliates for any such opposition or refusal.

(c) Neither Seller nor any of its Affiliates is a party to any written order, decree, agreement or memorandum of understanding with, or commitment letter or similar submission to, any federal or state regulatory agency or authority charged with the supervision or regulation

of depository institutions, nor has any of them been advised by any such agency or authority that it is contemplating issuing or requesting any such order, decree, agreement, memorandum of understanding, commitment letter or submission, in each case materially affecting the Branches, the Facilities, the Acquired Assets or the Assumed Liabilities.

5.7 Compliance with Laws. Except as set forth in Section 5.7 of the Seller Disclosure Schedule, the business of the Seller has been conducted in compliance, in all material respects, with all federal, state and local laws, regulations, rules and ordinances applicable thereto, except where noncompliance would not reasonably be expected to have a Material Adverse Effect. The Deposits, deposit accounts and Loan were opened, extended or made, and have been maintained, in accordance in all material respects with all applicable federal, state and local laws, regulations, rules and orders, and the terms and conditions of the applicable agreements and account documents governing such Deposits, deposit accounts and Loans.

5.8 Records. The Records accurately reflect in all material respects as of their respective dates the Net Book Value of the Acquired Assets and Assumed Liabilities being transferred to Purchaser hereunder and all other matters the Records purport to present. The Records include all customary Branch, customer and customer-related information reasonably necessary to service the Deposits and Loan on an ongoing basis and as may be required under applicable law.

5.9 Financial Statements of the Seller.

(a) The Seller has previously delivered to Purchaser copies of (i) the audited financial statements of the Seller as of, and for the three years ended, December 31, 2010; and (ii) the quarterly financial reports of the Seller for each of the calendar quarters ending on or after December 31, 2010 (collectively, the "Seller Financial Statements").

(b) The Seller Financial Statements fairly present in all material respects the results of the operations and changes in stockholders' equity and financial position of the Seller for the respective fiscal periods or as of the respective dates therein set forth. The Seller Financial Statements have been prepared in accordance with GAAP, and comply with all applicable legal and accounting requirements.

(c) The Seller maintains a system of internal accounting controls sufficient to provide reasonable assurances that (a) all material transactions are executed in accordance with management's general or specific authorization, (b) all material transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP, (c) access to or use of the material property and assets of the Seller is permitted only in accordance with management's general or specific authorization, and (d) the recorded accountability for items is compared with the actual levels at reasonable intervals and appropriate action is taken with respect to any differences.

5.10 Absence of Undisclosed Liabilities. Except as disclosed in the Seller Financial Statements, as of the date thereof the Seller had no material obligations or liabilities.

5.11 Loan Portfolio. The Loans are evidenced by promissory notes or other evidence of indebtedness which, with all ancillary security documents, constitute valid and binding

obligations of each of the other parties thereto, enforceable in accordance with their terms, except as limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights and remedies generally and by applicable laws which may affect the availability of equitable remedies. To the Seller's knowledge, none of such Loans is subject to any defense, set-off or counter-claim of any party liable thereon. Such loans that are secured, as evidenced by ancillary security documents, are so secured by valid and enforceable liens. The Seller's reserve for loan losses determined as of the Closing Date shall be calculated in accordance with prudent and customary banking practices and shall be adequate to reflect the risk inherent in the Loans.

5.12 Tax Matters.

(a) All Tax Returns required to be filed by or on behalf of the Seller have been timely filed or requests for extensions have been timely filed, granted, and have not expired; all such Tax Returns are true, correct and complete in all material respects and accurately set forth all items to the extent required to be reflected or included in such Tax Returns by applicable Federal, state, local or foreign Tax laws, regulations or rules. All Taxes shown on filed Tax Returns have been paid. There is no audit examination, deficiency, or refund Litigation with respect to any Taxes which may be payable by the Seller. All Taxes and other liabilities due with respect to completed and settled examinations or concluded Litigation have been paid.

(b) As of the date hereof, the Seller has not executed any outstanding waivers or comparable consents regarding the application of the statute of limitations with respect to any material Taxes or Tax Returns; and the period during which any assessment against the Seller may be made by the Internal Revenue Service or other appropriate authority has expired without waiver or extension of any such period for each such authority.

(c) As of the date hereof, there are no Liens with respect to any Taxes upon any of the assets and properties of the Seller.

(d) Adequate provision for any Taxes due or to become due for the Seller for the period or periods through and including the date of the respective the Seller Financial Statements has been made and is reflected on such Seller Financial Statements.

(e) Deferred Taxes of the Seller have been adequately provided for in the Seller Financial Statements.

(f) The Seller has not executed any closing agreement pursuant to Section 7121 of the Internal Revenue Code or any predecessor provision thereof, or any similar provision of state or local law.

(g) The Seller has disclosed on its federal income Tax Returns all positions taken therein that could give rise to an understatement of federal income Tax within the meaning of Internal Revenue Code Section 6662.

(h) The Seller has maintained the books and records required to be maintained pursuant to Section 6001 of the Internal Revenue Code and the rules and regulations thereunder, and comparable laws, rules and regulations of the countries, states, counties, provinces, localities

and other political divisions wherein it is required to file Tax Returns and other reports relating to Taxes.

(i) The Seller is in compliance with, and its records contain all information and documents (including properly completed Internal Revenue Service Forms W-9) necessary to comply with, all applicable information reporting and Tax withholding requirements under federal, state and local Tax Laws, and such records identify with specificity all accounts subject to backup withholding under Section 3406 of the Internal Revenue Code.

(j) The Seller is not a party to any agreement, contract, arrangement or plan that has resulted or would result, separately or in the aggregate, in the payment of any “excess parachute payment” within the meaning of Section 280G of the Internal Revenue Code as a result of the transactions contemplated by this Agreement.

5.13 Title to Acquired Assets. Seller is the lawful owner of, or in the case of leased Acquired Assets, has a valid leasehold interest in, each of the Acquired Assets, free and clear of all Encumbrances. Subject to the terms and conditions of this Agreement, on the Closing Date, Purchaser will acquire good and marketable title to, or in the case of leased Acquired Assets (subject to receipt of the consents and approvals set forth in Schedule 5.3 of the Seller Disclosure Schedule), a valid leasehold interest in, all of the Acquired Assets, free and clear of any Encumbrances.

5.14 Deposits. The deposit agreements and other documents relating to the Deposits to be delivered to Seller will be those that are necessary to establish the amounts or other terms of the Deposits, that will govern the terms of the Deposit accounts and that evidence the Deposits. The Deposit accounts are insured by the FDIC through the Deposit Insurance Fund to the fullest extent permitted by law, and all premiums and assessments required to be paid in connection therewith have been paid in full when due. All of the Deposits are transferable at the Closing to Purchaser, and, to Seller’s knowledge, there are no Deposits that are subject to any judgment, decree or order of any court or governmental authority.

5.15 Environmental Laws; Hazardous Substances.

(a) The properties of the Seller are and have been in compliance with all Environmental Laws, and to the Seller’s knowledge, the properties securing any Loan (the “Loan Properties”) are, and have been during the period of the holding by the Seller of a security interest in a Loan Property, in compliance with all Environmental Laws.

(b) There is no Litigation pending or threatened before any court, governmental agency, or authority or other forum in which the Seller or any of their Loan Properties has been or, to the Seller’s knowledge with respect to threatened Litigation, may be named as a defendant or potentially responsible party (i) for alleged noncompliance (including by any predecessor) with any Environmental Law or (ii) relating to the release into the environment of any Hazardous Material, whether or not occurring at, on, under, or involving any of its Loan Properties.

(c) To the knowledge of the Seller, there is no reasonable basis for any Litigation of a type described above in Section 5.15(b).

(d) During the period of the ownership or operation by the Seller of any of its properties, there has been no release of Hazardous Material in, on, under, or affecting any of its properties. To the Seller's knowledge, during the period of the holding by the Seller of a security interest in a Loan Property, there has been no release of Hazardous Material in, on, under, or affecting any Loan Property.

5.16 Material Contracts.

(a) Set forth on Schedule 5.16 of the Seller Disclosure Schedule is a list of every Contract of a material nature related to the operation of the business of the Seller (the "Material Contracts"), including the following:

(i) All consulting arrangements and contracts for professional, advisory or other services;

(ii) All leases of real or personal property, other than leases of personal property pursuant to which total future rentals are less than \$10,000;

(iii) All software licensing agreements;

(iv) All contracts relating to the employment, engagement, compensation or termination of the Seller Employees;

(v) All union and other labor contracts;

(vi) All agreements, contracts, mortgages, loans, deeds of trust, leases, commitments, indentures, notes, instruments or other arrangements which are with officers or directors of the Seller or any of its Affiliates or any member of the immediate family of any such Person, except for contracts governing any ordinary and customary banking relationships that comply with applicable banking regulations;

(vii) Any agreements, contracts or commitments which will be Assumed Liabilities; and

(viii) All other Material Contracts, made other than in the usual, ordinary course of business, which relate to the Business.

(b) With respect to each Material Contract and except as disclosed in Section 5.16 of the Seller Disclosure Schedule: (i) such Material Contract is in full force and effect; (ii) the Seller is not in material default thereunder; (iii) the Seller has not repudiated or waived any material provision of any such Material Contract; and (iv) to the knowledge of the Seller, no other party to any such Material Contract is in default in any respect or has repudiated or waived any material provision thereunder.

5.17 Brokers' Fees. Except for the engagement of Kendrick Pierce & Co ("Kendrick Pierce"), the Seller has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the transactions contemplated by this Agreement.

5.18 Property.

(a) Seller has, and will convey to Purchaser at the Closing, good and marketable title to the Owned Real Property, free and clear of all Encumbrances.

(b) Seller has not received any written notice of any material uncured current violations, citations, summonses, subpoenas, compliance orders, directives, suits, other legal processes, or other written notice of potential liability under applicable zoning, building, fire and other applicable laws and regulations relating to the Owned Real Property, and, except as would not reasonably be expected, individually or in the aggregate, to materially affect Purchaser's use and enjoyment of the Owned Real Property, there is no action, suit, proceeding or investigation pending or, to Seller's knowledge, threatened before any governmental authority that relates to Seller or the Owned Real Property.

(c) Seller has not received any written notice of any actual or pending condemnation proceeding relating to the Owned Real Property.

(d) Seller has received no written notice of any material default or breach by Seller under any covenant, condition, restriction, right of way or easement affecting the Owned Real Property or any portion thereof, and, to Seller's knowledge, no such default or breach now exists.

(e) Neither Seller nor any of its Affiliates has entered into any agreement regarding the Real Property (other than the Branch Leases or Facility Leases), and the Real Property is not subject to any claim, demand, suit, lien, proceeding or Litigation of any kind, pending or outstanding, or, to Seller's knowledge, threatened, that would be binding upon Purchaser or its successors or assigns and materially affect or limit Purchaser's or its successors' or assigns' use and enjoyment of the Real Property or that would materially limit or restrict Purchaser's right or ability to enter into this Agreement and consummate the sale and purchase contemplated hereby.

(f) Seller has valid title to its Personal Property, free and clear of all Encumbrances, and has the right to sell, convey, transfer, assign and deliver to Purchaser all of the Personal Property. The Personal Property is in reasonable working order in all material respects (subject to ordinary wear and tear).

5.19 Absence of Certain Changes or Events. Except as set forth in Section 5.19 of the Seller Disclosure Schedule, since December 31, 2010, no event has occurred that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to Seller.

5.20 Employee Benefit Plans; Labor Matters.

(a) Schedule 5.20(a)(i) of the Seller Disclosure Schedule contains a complete, true and accurate list of the Seller Employees, with such list expressly indicating (i) which of such employees are on leave and who are eligible to return to work under Seller's policies, specifying the type of leave (such as, family and medical leave, military leave or personal, short-term or long-term disability or pregnancy leave, approved or unapproved) and the anticipated return date from such leave, (ii) their date of commencement of employment, (iii) their positions, (iv) their business locations, their cost center name and number, (vi) their annual/weekly/hourly rates of

compensation, (vii) their incentive and discretionary bonus amounts for the 2010 calendar year, (viii) their current year's target incentive bonus, (ix) their status as exempt or non-exempt under the Fair Labor Standards Act, and (x) their average scheduled hours per week. Schedule 5.20(a)(ii) of the Seller Disclosure Schedule sets forth a complete, true and accurate list of each written or oral, express or implied, employment, retention, bonus commitment (whether or not a guarantee), severance, change of control agreement or other similar arrangement, to which a Seller Employee is a party with Seller (each, an "Employment Agreement"), and Seller has provided or made available complete, true and accurate copies of each such agreement. None of the Seller Employees are subject to any non-competition, non-solicitation or any other similar agreement that would limit or restrict any Seller Employee's employment activities or services upon severance of employment with Seller.

(b) No Benefit Plan in which the Seller Employees participate is a multiemployer plan within the meaning of Section 3(37) of ERISA or a plan that has two or more contributing sponsors at least two of whom are not under common control within the meaning of Section 4063 of ERISA.

(c) The transactions contemplated by this Agreement will not, either alone or in combination with any other event or events, subject to Purchaser's compliance with its obligations under this Agreement, (i) entitle any Seller Employee to severance pay, unemployment compensation or any other payment or (ii) result in acceleration of benefits or payments due any Seller Employee.

(d) No Seller Employee is a party to any collective bargaining agreement, contract or other agreement or understanding with a labor organization of any type. With respect to any Seller Employee, (i) Seller is not the subject of any proceeding seeking to compel it to bargain with any labor organization as to wages and conditions of employment, nor to Seller's knowledge is any such proceeding threatened, and (ii) no strike or similar labor dispute by the Seller Employees is pending or, to Seller's knowledge, threatened.

(e) Seller has not within the past twelve (12) months caused nor has Seller been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of the WARN Act or any state or local law similar to the WARN Act, in each case, under circumstances that would reasonably be expected to affect the Seller Employees.

5.21 Post-Closing Condition. After the Closing and immediately after giving effect to the transactions contemplated by this Agreement, including the making of payments pursuant to Section 3.2 and, if applicable, Section 3.3, (i) the assets of Seller will, as of such date, exceed its debts and liabilities (subordinated, contingent or otherwise), and (ii) Seller will be able to pay, as of such date, its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured. For purposes of this Section 5.21, the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that would reasonably be expected to become an actual or matured liability.

5.22 Fair Consideration. The transactions under this Agreement are not being entered into by the Seller with the intent to hinder, delay or defraud any creditors or equity holders of the

Seller, and the consideration being received by the Seller with respect to the transactions under this Agreement constitutes “reasonable equivalent value” and “fair consideration” as such terms are used in connection with Sections 544 and 548 of the Bankruptcy Code and other similar state or federal Laws relating to fraudulent conveyance or fraudulent transfer.

5.23 Accuracy of Information. No representation or warranty of the Seller contained in this Agreement, and none of the statements or information concerning the Seller contained in this Agreement or the exhibits and the schedules hereto, or in any certificate or other document delivered to Purchaser in connection with this Agreement contains or will contain any untrue statement of a material fact nor will such representations, warranties, covenants or statements taken as a whole omit a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows:

6.1 Corporate Organization and Authority. Purchaser is a commercial bank, duly organized and validly existing under the laws of the State of Florida. Purchaser has the requisite corporate power and authority and has taken all corporate action necessary in order to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement is a valid and binding agreement of Purchaser enforceable against Purchaser in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors’ rights and to general equity principles.

6.2 No Conflicts. The execution, delivery and performance of this Agreement by Purchaser does not, and will not, (i) violate any provision of its charter or by-laws or (ii) subject to the Regulatory Approvals, violate or constitute a breach of, or default under, any law, rule, regulation, judgment, decree, ruling or order of any court, government or governmental authority to which Purchaser is subject or any material agreement or instrument of Purchaser, or to which Purchaser is subject or by which Purchaser is otherwise bound.

6.3 Approvals and Consents. Other than the Regulatory Approvals, no notices, reports or other filings are required to be made by Purchaser with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by Purchaser from, any governmental or regulatory authority of the United States or the several States in connection with the execution and delivery of this Agreement by Purchaser and the consummation of the transactions contemplated hereby by Purchaser.

6.4 Brokers’ Fees. Purchaser has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders’ fees in connection with the transactions contemplated by this Agreement.

ARTICLE 7
COVENANTS OF THE PARTIES

7.1 Activity in the Ordinary Course. From the date hereof until the Closing Date, except as (i) set forth in Section 7.1 of the Seller Disclosure Schedule, (ii) may be required by a Regulatory Authority or applicable law or (iii) otherwise expressly provided hereby, Seller will, with respect to the Acquired Assets and the Assumed Liabilities, (w) use its commercially reasonable efforts to preserve its business relationships with depositors, (x) maintain the Branches and the Facilities in their current condition, ordinary wear and tear excepted, (y) use its commercially reasonable efforts to conduct the business of the Branches and the Facilities and preserve the Acquired Assets and Assumed Liabilities in all material respects in the ordinary and usual course of business consistent with past practice and (z) not, without the prior written consent of Purchaser (such consent not to be unreasonably withheld, conditioned or delayed):

(a) declare, set aside or pay any dividend or other distribution payable in cash, stock or property with respect to its capital stock, redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock or other securities;

(b) make any loan or other extension of credit to any Person if, immediately after making such loan or extension of credit, such Person would be indebted to the Seller, in an aggregate amount in excess of \$100,000;

(c) incur any additional debt obligation or other obligation for borrowed money; except other borrowings incurred in the ordinary course of the business of the Seller consistent with past practices (it being understood and agreed that the incurrence of indebtedness in the ordinary course of business shall include, without limitation, creation of deposit liabilities, purchases of federal funds, advances from the Federal Reserve Bank, entry into repurchase agreements fully secured by U.S. government or agency securities, and advances from the Federal Home Loan Bank, to the extent consistent with prior practices of the Seller);

(d) other than the acquisition of property and assets (by asset purchase, merger, consolidation, equity purchase or by any other manner) pursuant to binding agreements in effect on the date hereof and set forth on Section 5.16 of the Seller Disclosure Schedule, acquire or agree to acquire (i) by merging or consolidating with, or by purchasing a portion of the equity interests of, or by any other manner, any business or any corporation, partnership, joint venture, association or other business organization or division thereof or (ii) any assets, including real estate;

(e) materially amend, extend or terminate any Seller Material Contract, or waive, release or assign any material rights or claims thereunder, or enter into any new contract that would be deemed a Seller Material Contract if entered into prior to the date of this Agreement;

(f) transfer, lease, license, sell, mortgage, pledge, dispose of, encumber or subject to any Lien any property or assets or cease to operate any assets;

(g) except as required to comply with applicable Law, (i) adopt, enter into, terminate, amend or increase the amount or accelerate the payment or vesting of any benefit or award or amount payable under any Seller Employee Plan or other arrangement for the current or future

benefit or welfare of any director, officer or employee, other than: (A) the payment of accrued vacation to employees as of the Closing Date, and (B) to the extent necessary to avoid adverse tax consequences under Section 409A of the Code and any regulations (whether in proposed or final form) and guidance thereunder, (ii) increase in any manner the compensation or fringe benefits of, or pay any bonus to, any director, officer or employee, (iii) pay any benefit not provided for under any Seller Employee Plan as in effect on the date hereof, (iv) grant any awards under any bonus, incentive, performance or other compensation plan or arrangement or Seller Employee Plan, (v) take any action to fund or in any other way secure the payment of compensation or benefits under any employee plan, agreement, contract or arrangement or Seller Employee Plan or (vi) change any actuarial or other assumptions used to calculate funding obligations with respect to any Seller Employee Plan or change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP;

(h) change any accounting policies or procedures (including procedures with respect to reserves, revenue recognition, payments of accounts payable and collection of accounts receivable) used by it unless required by the Seller's registered independent public auditors, applicable law or GAAP;

(i) make any material Tax election or material change in any Tax election, change or consent to change its method of accounting for Tax purposes, file any amended Tax Return or enter into any settlement or compromise of any Tax liability of the Seller, the Seller in an amount in excess of \$50,000;

(j) pay, discharge, satisfy, settle or compromise any claim, Litigation or any legal proceeding, except for any settlement or compromise involving less than \$50,000, but subject to an aggregate maximum of \$100,000, including all fees, costs and expenses associated therewith but excluding from such amounts any contribution from any insurance company or other parties to the Litigation;

(k) enter into any negotiation with respect to, or adopt or amend in any respect, any collective bargaining agreement;

(l) adopt or amend in any respect, any work rule or practice, or any other labor-related agreement or arrangement;

(m) enter into any material agreement or arrangement with any of its officers, directors, employees or any "affiliate" or "associate" of any of its officers or directors (as such terms are defined in Rule 405 under the Securities Act);

(n) enter into any agreement, arrangement or contract to allocate, share or otherwise indemnify for Taxes;

(o) except for purchases of United States Treasury securities or United States Government agency securities (including agency pass-through securities issued or guaranteed by GNMA, FNMA and FHLMC), which in either case have maturities of five (5) years or less, purchase any securities or make any material investment, either by purchase of stock or

securities, contributions to capital, asset transfers, or purchase of any assets, in any Person, or otherwise acquire direct or indirect control over any Person;

(p) make, authorize or agree to make any capital expenditures in an aggregate amount exceeding \$25,000 for each quarterly period;

(q) dispose of, license or permit to abandon, invalidate or lapse, any rights in, to or for the use of any material Intellectual Property;

(r) engage in hiring, firing, or redeploying of employees, other than the termination of employees for cause, or the hiring of employees in the ordinary course of business;

(s) make any material change to any credit or risk management policies, practices or procedures;

(t) knowingly take any action that would reasonably be expected to (A) adversely affect the ability of any party hereto to obtain the Regulatory Approvals, (B) adversely affect the ability of any party hereto to obtain any consent required pursuant to this Agreement, (C) result in the failure of the condition set forth in Section 9.1(c) or (D) result in any of the covenants or conditions to the transactions contemplated hereby not being materially satisfied;

(u) except as permitted by this Section 7.1, knowingly take, or knowingly permit its Affiliates to take, any action impairing in a material respect Purchaser's rights or obligations in respect of any Deposit, Asset or Assumed Liability; or

(v) solicit, agree with, or commit to, any Person to do any of the things described in clauses (a) through (u), except as contemplated hereby.

7.2 Access and Confidentiality.

(a) Until the earlier of the Closing Date and the date on which the Agreement is terminated pursuant to Article 10, Seller shall afford to Purchaser and its officers and authorized agents and representatives reasonable access during normal business hours to the properties, books, records, contracts, documents, files and other information of or relating to the Acquired Assets, the Assumed Liabilities and the Seller Employees. Seller shall identify to Purchaser, within fifteen (15) days after the date hereof, a group of its salaried personnel (with the necessary expertise and experience to assist Purchaser) that shall constitute a "transition group" who will be available to Purchaser at reasonable times during normal business hours to provide information and assistance in connection with Purchaser's investigation of matters relating to the Acquired Assets, the Assumed Liabilities and transition matters. Such transition group will also work cooperatively to identify and resolve issues arising from any commingling of Records with Seller's records for its other branches, assets and operations not subject to this Agreement. Seller shall furnish Purchaser with such additional financial and operating data and other information about its business operations as may be reasonably necessary for the orderly transfer of the business operations. Any investigation pursuant to this Section 7.2(a) shall be conducted in such manner as not to interfere unreasonably with the conduct of Seller's business. Without limiting the generality of the foregoing, Purchaser may meet with Seller promptly following execution of this Agreement and through the Closing to discuss employment retention and other employment

related matters at mutually agreeable times and so long as such meetings do not interfere unreasonably with the conduct of Seller's business and Seller is provided advance notice of such meetings and is permitted to have one or more representative(s) of Seller attend such meetings. Furthermore, Seller will use commercially reasonable efforts to cooperate with Purchaser and will make available at Purchaser's reasonable request during the period from the date of this Agreement until the Closing Date, during business hours and without unreasonably interfering with the operations of Seller, Seller's experienced technical personnel for consultations with Purchaser concerning transition matters and the other matters referred to in Section 4.1. Notwithstanding the foregoing, Seller shall not be required to provide access to or disclose information where such access or disclosure would impose an unreasonable burden on Seller or any employee of Seller, would violate the rights of customers, or would, based on the advice of outside counsel, result in the loss of any attorney-client privilege or contravene any law, rule, regulation, order, judgment, decree, or binding agreement entered into and disclosed to Purchaser prior to the date of this Agreement. Seller and Purchaser shall use commercially reasonable efforts to make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

(b) Seller shall permit Purchaser, at Purchaser's expense, to cause a "phase I environmental audit" and a "phase II environmental audit" to be performed at each Branch and Facility at any time prior to the Closing Date. Prior to performing any "phase II environmental audits," Purchaser will provide Seller with a copy of its proposed work plan and Purchaser will cooperate in good faith with Seller to address any comments or suggestions made by Seller regarding the work plan. Purchaser and its environmental consultant shall conduct all environmental assessments pursuant to this Section 7.2(b) at mutually agreeable times and so as to or minimize interference with Seller's operation of its business. Purchaser shall be required to restore each Owned Real Property to its pre-assessment condition. All costs and expenses incurred in connection with any "phase I environmental audit" and any "phase II environmental audit," and any restoration and clean up required to restore each Owned Real Property to its pre-assessment condition, shall be borne solely by Purchaser.

(c) From and after the date of this Agreement, Seller shall keep confidential non-public information in its possession relating to Purchaser, its Affiliates, the Branches, the Facilities, the Acquired Assets and the Assumed Liabilities; *provided, however*, that Seller shall not be liable hereunder with respect to any disclosure to the extent such disclosure is required pursuant to legal process (including pursuant to the assertion of Seller's rights under this Agreement) (by interrogatories, subpoena, civil investigative demand or similar process), regulatory process or request, or to the extent such disclosure is reasonably necessary for purposes of compliance by Seller or its Affiliates with tax or regulatory reporting requirements; *provided that* in the event of any disclosure pursuant to legal process, Seller exercises commercially reasonable efforts to preserve the confidentiality of the non-public information disclosed, including by cooperating with Purchaser to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the non-public information required to be disclosed.

(d) From and after the Closing, Purchaser shall keep confidential non-public information in its possession (other than information which was or becomes available to Purchaser on a non-confidential basis from a source other than Seller or any of its Affiliates)

relating to Seller and its Affiliates other than the Branches, the Facilities, the Acquired Assets and the Assumed Liabilities; provided, however that Purchaser shall not be liable hereunder with respect to any disclosure to the extent such disclosure is required pursuant to legal process (including pursuant to the assertion of Purchaser's rights under this Agreement) (by interrogatories, subpoena, civil investigative demand or similar process) or regulatory process or request; provided that in the event of any disclosure pursuant to legal process Purchaser exercises commercially reasonable efforts to preserve the confidentiality of the non-public information disclosed, including by cooperating with Seller to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the non-public information required to be disclosed.

(e) From and after the date of this Agreement through the Closing, Purchaser shall keep confidential non-public information in its possession relating to Seller, its Affiliates, the Branches, the Facilities, the Acquired Assets and the Assumed Liabilities; provided, however, that Purchaser shall not be liable hereunder with respect to any disclosure to the extent such disclosure is required pursuant to legal process (including pursuant to the assertion of Purchaser's rights under this Agreement) (by interrogatories, subpoena, civil investigative demand or similar process), regulatory process or request, or to the extent such disclosure is reasonably necessary for purposes of compliance by Purchaser or its Affiliates with tax or regulatory reporting requirements; provided that in the event of any disclosure pursuant to legal process, Purchaser exercises commercially reasonable efforts to preserve the confidentiality of the non-public information disclosed, including by cooperating with Seller to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the non-public information required to be disclosed.

7.3 Regulatory Approvals.

(a) As soon as practicable and in no event later than five (5) calendar days after the date of this Agreement, Purchaser shall prepare and file any applications, notices and filings required in order to obtain the Regulatory Approvals. Purchaser shall use commercially reasonable efforts to obtain each such approval as promptly as reasonably practicable. Seller shall cooperate in connection therewith (including the furnishing of any information and any reasonable undertaking or commitments that may be required to obtain the Regulatory Approvals). Each party will provide the other with copies of any applications and all correspondence relating thereto prior to filing, other than material filed in connection therewith under a claim of confidentiality. If any Regulatory Authority shall require the modification of any of the terms and provisions of this Agreement as a condition to granting the Regulatory Approvals, the parties hereto will negotiate in good faith and use commercially reasonable efforts to seek a mutually agreeable adjustment to the terms of the transaction contemplated hereby, such agreement not to be unreasonably withheld, conditioned or delayed.

(b) The parties shall promptly advise each other upon receiving any communication from any Regulatory Authority whose consent or approval is required for consummation of the transactions contemplated by this Agreement that causes such party to believe that there is a reasonable likelihood that the Regulatory Approvals or any other consent or approval required hereunder will not be obtained or that the receipt of any such approval will be materially delayed.

7.4 Consents.

(a) Seller agrees to use commercially reasonable efforts to obtain from lessors under Branch Leases, Facility Leases, Equipment Leases and counterparties under Assumed Contracts and any other parties the consent of which is required in order to assign or transfer any Asset or Deposit to Purchaser on the Closing Date, any required consents to such assignment or transfer to Purchaser on the Closing Date; *provided that*, in the case of any Branch Lease, Equipment Lease, Assumed Contract or any Facility Leases, if any consent set forth in this Section 7.4(a) is not obtained notwithstanding Seller's use of commercially reasonable efforts as required hereunder, the parties shall negotiate in good faith and Seller and Purchaser shall use commercially reasonable efforts to make alternative arrangements reasonably satisfactory to Purchaser that provide Purchaser, to the maximum extent reasonably possible, the benefits and burdens of the properties subject to Branch Leases, Equipment Leases, Assumed Contracts and Facility Leases in a manner that does not violate the applicable Branch Lease, Equipment Lease, Assumed Contract or Facility Lease (for the same cost as would have applied if the relevant consent had been obtained); *provided, further*, that, notwithstanding anything in this Agreement to the contrary, neither Purchaser nor Seller shall be obligated to incur any monetary obligations or expenditures to the parties whose consent is requested (in the case of Seller, in connection with the utilization of its commercially reasonable efforts to obtain any such required consents). Notwithstanding the foregoing, with respect to the Equipment Leases and Assumed Contracts, if Seller is unable to obtain any consent contemplated by this Section 7.4(a) after using its commercially reasonable efforts, Seller may terminate the applicable Equipment Lease or Assumed Contract at Seller's sole expense, it being agreed that effective as of such termination, such Equipment Lease or Assumed Contract shall not constitute an Acquired Asset under this Agreement. If any alternative arrangement is implemented between Seller and Purchaser at or prior to the Closing, the parties shall continue after the Closing to exercise commercially reasonable efforts to obtain the related consents that could not be obtained prior to the Closing, and, if such a consent is obtained, Seller shall assign to Purchaser the applicable Branch Lease, Equipment Lease, Assumed Contract or Facility Lease pursuant to the terms of this Agreement applicable to leases assigned at the Closing, and the parties shall restructure the applicable alternative arrangement.

(b) Unless otherwise directed by Purchaser, Seller shall use commercially reasonable efforts to procure estoppel certificates substantially in the form of Schedule 7.4(b)-1 attached hereto, from each lessor under Branch Leases and the Facility Leases, and in the form of Schedule 7.4(b)-2 from each subtenant under Tenant Leases, which certificates shall be at the expense of Purchaser; *provided that* in the case of any Branch Lease or Facility Lease, if any estoppel certificate as set forth in this Section 7.4(b) is not obtained, notwithstanding Seller's use of commercially reasonable efforts as required hereunder, the Acquired Assets and Assumed Liabilities associated with the subject Branch or Facility shall be transferred to Purchaser and the parties shall negotiate in good faith and Seller shall use commercially reasonable efforts to make alternative arrangements reasonably satisfactory to Purchaser with respect to such Branch Lease or Facility Lease; *provided, further*, that Seller shall not be obligated to incur any monetary obligations or expenditures to lessors or subtenants in connection with the utilization of commercially reasonable efforts to obtain such estoppel certificates.

(c) Seller will use commercially reasonable efforts to procure non-disturbance agreements from any mortgage lender holding a mortgage lien on any Real Property at which a Branch Lease or Facility Lease is operated, substantially in the form of Schedule 7.4(c); *provided, however*, Seller shall not be obligated to incur any monetary obligations or expenditures to mortgage lenders in connection with the utilization of commercially reasonable efforts to obtain such non-disturbance agreements.

7.5 Efforts to Consummate; Further Assurances.

(a) Purchaser and Seller agree to use commercially reasonable efforts to satisfy or cause to be satisfied as soon as practicable their respective obligations hereunder and the conditions precedent to the Closing.

(b) From time to time following the Closing, at Purchaser's request and at Seller's expense, Seller will duly execute and deliver such assignments, bills of sale, deeds, acknowledgments and other instruments of conveyance and transfer and take such other action as shall be necessary or appropriate to vest in Purchaser the full legal and equitable title to the Acquired Assets and Assumed Liabilities or to consummate the transactions contemplated by this Agreement.

(c) Subject to Section 4.3, on and after the Closing Date, each party will promptly deliver to the other, at such other party's expense, all mail and other communications properly addressable or deliverable to the other as a consequence of the P&A Transaction; and without limitation of the foregoing, on and after the Closing Date, Seller shall promptly forward any mail, communications or other material relating to the Deposits or the Assets transferred on the Closing Date, to such employees of Purchaser at such addresses as may from time to time be specified by Purchaser in writing.

(d) Prior to the Closing Date, each of the parties hereto shall promptly advise the other party of any change or event that, individually or in the aggregate, would reasonably be expected to cause or constitute a breach in any material respect of any of its representations, warranties or covenants contained herein.

7.6 Insurance. Seller will maintain in effect until the Closing Date all casualty and public liability policies relating to the Branches and the Facilities and maintained by Seller on the date hereof or will use commercially reasonable efforts to procure comparable replacement coverage and maintain such policies or replacement coverage in effect until the Closing Date. Purchaser shall provide all casualty and public liability insurance for the Branches and the Facilities after the Closing Date. In the event of any material damage, destruction or condemnation affecting Real Property between the date hereof and the time of the Closing, Purchaser shall have the right to exclude any Real Property so affected from the assets to be acquired, require Seller to take reasonable steps to repair or replace the damaged or destroyed property, or require Seller to deliver to Purchaser any insurance proceeds and other payments, to the extent of the fair market value or the replacement cost of the Real Property, received by Seller as a result thereof unless, in the case of damage or destruction, Seller has repaired or replaced the damaged or destroyed property.

7.7 Exclusive Dealing. During the period from the date of this Agreement to the earlier of the Closing Date or the termination of this Agreement, Seller shall not, nor shall any of its Affiliates, take any action to, directly or indirectly, encourage, initiate or conduct discussions or negotiations with, or provide any non-public information to, or enter into any agreement or consummate any transaction with, any Person other than Purchaser and its Affiliates and representatives concerning or in contemplation of a sale of any of the Assets or assignment and assumption of any of the Assumed Liabilities; *provided that* the provisions of this Section 7.7 shall no longer apply following Seller's receipt of a written notice from Purchaser that Purchaser, in accordance with the terms of this Agreement, will not consummate the transactions contemplated by this Agreement.

7.8 Transferred Employees.

(a) Purchaser shall be entitled, in its discretion, to offer employment to any Seller Employee on such terms the Purchaser deems to be reasonable. Any Seller Employee who accepts employment with the Purchaser shall be deemed to be a "Transferred Employee."

(b) On the Closing Date, Seller shall take all necessary action to cause the Transferred Employees to be fully vested in their accounts and accrued benefits, as applicable under any tax-qualified savings plan in which the Transferred Employees are eligible to participate in.

(c) Seller shall remain solely responsible for any and all liabilities and obligations arising under the Benefit Plans, including the Employment Agreements, and Purchaser shall not assume or otherwise acquire any of the Benefit Plans, including the Employment Agreements, or the liabilities thereunder. Seller shall pay, discharge, and be responsible for (i) all salary and wages arising out of employment of each Transferred Employee through the applicable Transfer Date and (ii) any employee benefits (including accrued vacation and sick days, as applicable) arising under Seller's employee benefit plans and employee programs prior to the applicable Transfer Date, including (x) benefits and workers' compensation with respect to claims incurred prior to the Transfer Date but reported after the Transfer Date and (y) severance, including any liability under the WARN Act, payable to or with respect to any Transferred Employee solely as a result of the cessation of such Transferred Employee's employment with Seller and its Affiliates pursuant to and in accordance with the terms and conditions of any severance plan of Seller and its Affiliates applicable to such Transferred Employee as of immediately prior to the Transfer Date. For purposes hereof, a disability or workers' compensation claim shall be considered incurred before the relevant Transferred Employee's Transfer Date if the injury or condition giving rise to the claim occurs before such Transfer Date. For purposes of this Agreement, the liabilities described in the preceding sentences of this Section 7.8(c) shall for all purposes of this Agreement be considered Excluded Liabilities. From and after the applicable Transfer Date, Purchaser shall pay, discharge, and be responsible for all salary, wages, and benefits arising out of or relating to the employment of each Transferred Employee by Purchaser from and after the applicable Transfer Date, including all claims under Purchaser's welfare benefits plans incurred after the applicable Transfer Date.

(d) Nothing in this Agreement shall be construed to grant any Transferred Employee a right to continued employment by, or to receive any payments or benefits from, Purchaser or Seller or their respective Affiliates or through any employee benefit plan. This Agreement shall

not limit Purchaser's ability or right to amend or terminate any benefit or compensation plan or program of Purchaser and nothing contained herein shall be construed as an amendment to or modification of any such plan. This Section 7.8 shall be binding upon and inure solely to the benefit of each party to this Agreement, and nothing in this Section 7.8, express or implied, is intended to confer upon any other Person, including, any current or former director, officer or employee of Seller or any of its Affiliates, any rights or remedies of any nature whatsoever under or by reason of this Section 7.8.

(e) Seller Shareholder Approval. Within seven (7) days from the date of this Agreement, the Seller obtain the written consent of the holders of a majority of the outstanding common stock of the Seller approving the execution, delivery and performance of this Agreement by the Seller and the transactions contemplated by this Agreement.

ARTICLE 8 TAXES AND EMPLOYEES

8.1 Sales and Transfer Taxes. Seller shall pay all transfer, recording, documentary, stamp, sales, use (including all bulk sales Taxes) and other similar Taxes and fees (collectively, the "Transfer Taxes"), that are payable or that arise as a result of the P&A Transaction, when due. The Seller shall file any Tax Return that is required to be filed in respect of Transfer Taxes described in this Section 8.2 when due, and the Purchaser shall cooperate with respect thereto as necessary.

8.2 Information Returns. At the Closing or as soon thereafter as is practicable, Seller shall provide Purchaser with a list of all Deposits on which Seller is back-up withholding as of the Closing Date or which are subject to withholding under Section 1441 of the Code.

8.3 Assistance and Cooperation. After the Closing Date, each of Seller and Purchaser shall:

(a) Make available to the other and to any taxing authority as reasonably requested all relevant information, records, and documents, including originals, relating to Taxes with respect to the Assets, the Assumed Liabilities, or the operation of the Branches;

(b) Provide timely notice to the other in writing of any pending or proposed Tax audits (with copies of all relevant correspondence received from any taxing authority in connection with any Tax audit or information request) or Tax assessments with respect to the Assets, the Assumed Liabilities, or the operation of the Branches for taxable periods for which the other may have a liability under this Agreement; and

(c) The party requesting assistance or cooperation shall bear the other party's reasonable out-of-pocket expenses in complying with such request to the extent that those expenses are attributable to fees and other costs of unaffiliated third party service providers.

8.4 Tax Treatment of Indemnification Payments. Except as otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code (or any comparable provision of state, local or foreign Law), Seller, Purchaser, and their respective

Affiliates shall treat any and all payments under Article 11 as an adjustment to the Purchase Price for all Tax purposes.

ARTICLE 9 CONDITIONS TO CLOSING

9.1 Conditions to Obligations of Purchaser. Unless waived in writing by Purchaser, the obligation of Purchaser to consummate the P&A Transaction is conditioned upon satisfaction of each of the following conditions:

(a) Regulatory Approvals. The Regulatory Approvals shall have been obtained, and shall remain in full force and effect, and all waiting periods applicable to the consummation of the P&A Transaction shall have expired or been terminated.

(b) Orders. No court or governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order (whether temporary, preliminary or permanent) (any of the foregoing, an “Order”) that is in effect and that prohibits or makes illegal the consummation of the P&A Transaction.

(c) Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects, in each case at and as of the date of this Agreement and at and as of the Closing Date as though such representations and warranties were made at and as of such time (except that representations and warranties as of a specified date need only be true on and as of such date).

(d) Covenants and Other Agreements. Seller shall have performed its covenants and agreements herein on or prior to the Closing Date in all material respects.

(e) Seller Officers’ Certificate. Purchaser shall have received at the Closing a certificate dated as of the Closing Date and executed by the Chief Executive Officer of Seller to the effect that each of the conditions specified above in Sections 9.1(c) and (d) are satisfied in all respects.

(f) Seller Closing Deliverables. Seller shall have delivered to Purchaser each of the certificates, instruments, agreements, documents and other items required to be delivered pursuant to Section 3.3 at or prior to the Closing Date.

(g) No Material Adverse Effect. No Material Adverse Effect with respect to Seller or the Acquired Assets shall have occurred since the date of this Agreement.

(h) Minimum Net Book Value. The Net Book Value as of the Closing Date shall be at least (\$1,000,000).

(i) Acceptance of Employment Offers by Key Employees. The employees of the Seller listed on Schedule 9.1(i) shall have accepted employment offers from the Purchaser on terms satisfactory to the Purchaser.

(j) Maximum Number of Dissenting Shareholders. The holders of more than five percent (5.0%) of the outstanding share of common stock of the Seller shall have notified the Seller of their intention to exercise their statutory appraisal rights with respect to the P&A Transaction.

(k) Release from Kendrick Pierce. The Seller shall have delivered to the Purchaser a release from Kendrick Pierce pursuant to which Kendrick Pierce confirms that it has released any claims that it may have against the Seller or the Purchaser in connection with the P&A Transaction or otherwise. Additionally, no fees shall have been paid by Seller to Kendrick Pierce through the Closing Date, unless such fees have been approved in writing by Purchaser in its sole discretion.

(l) Amendment of Fiserv Agreements. The Seller shall have delivered to the Purchaser an amendment from Fiserv Solutions, Inc. and Information Technology, Inc. (collectively, "Fiserv") pursuant to which Fiserv agrees to continue to provide data processing and related services to Purchaser with respect to the Acquired Assets and Assumed Liabilities pursuant to the existing agreements between the Seller and Fiserv until such time as these items are converted onto the existing data processing system of Purchaser, in which event the existing agreements shall be terminated without further liability to Purchaser.

(m) Termination of Advantec Agreement. The Seller shall have delivered to the Purchaser an acknowledgment and release from Advantec 10, LLC ("Advantec") that provides: (A) that the existing employee leasing agreement between Seller and Advantec has been terminated as of the Closing Date, and (ii) that that Advantec releases any claims that it may have against the Seller or the Purchaser under the employee leasing agreement or in connection with the termination of the employee leasing agreement.

9.2 Conditions to Obligations of Seller. Unless waived in writing by Seller, the obligation of Seller to consummate the P&A Transaction is conditioned upon satisfaction of each of the following conditions:

(a) Regulatory Approvals. The Regulatory Approvals, shall have been obtained, and shall remain in full force and effect, and all waiting periods applicable to the consummation of the P&A Transaction shall have expired or been terminated.

(b) Orders. No Order shall be in effect that prohibits or makes illegal the consummation of the P&A Transaction.

(c) Representations and Warranties. The representations and warranties of Purchaser contained in this Agreement shall be true in all material respects in each case at and as of the date of this Agreement and at and as of the Closing Date as though such representations and warranties were made at and as of such time (except that representations and warranties as of a specific date need to be true only as of such date).

(d) Covenants and Other Agreements. Purchaser shall have performed its covenants and agreements herein on or prior to the Closing Date in all material respects.

(e) Purchaser Officers' Certificate. Seller shall have received at the Closing a certificate dated as of the Closing Date and executed by the Chief Executive Officer to the effect that each of the conditions specified above in Sections 9.2(c) and (d) are satisfied in all respects.

(f) Purchaser Closing Deliverables. Purchaser shall have delivered to Seller each of the certificates, instruments, agreements, documents and other items required to be delivered pursuant to Section 3.6 (in the case of any assignment contemplated thereby, subject to delivery by Seller of any related requisite third-party consent) at or prior to the Closing Date.

ARTICLE 10 TERMINATION

10.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

- (a) by the mutual written agreement of Purchaser and Seller;
- (b) by Purchaser if (i) at the time of such termination any of the representations and warranties of Seller contained in this Agreement shall not be true and correct to the extent that the condition set forth in Section 9.1(c) cannot be satisfied, or (ii) there shall have been any material breach of any covenant, agreement or obligation of Seller hereunder to the extent that the condition set forth in Section 9.1(d) cannot be satisfied, and, in the case of (i) or (ii), such breach or failure is not or cannot be remedied by Seller within ten (10) days after receipt of notice in writing from Purchaser specifying the nature of such breach or failure and requesting that it be remedied; *provided that* Purchaser may not terminate this Agreement based upon the failure of the conditions set forth in Section 9.1(e) or Section 9.1(d) to be satisfied if such failure was solely caused by Purchaser's breach of this Agreement or failure to act in good faith or Purchaser's or any of its representatives' failure to use commercially reasonable efforts to cause the Closing to occur;
- (c) by Seller, if (i) at the time of such termination any of the representations and warranties of Purchaser contained in this Agreement shall not be true and correct to the extent that the condition set forth in Section 9.2(c) cannot be satisfied, or (ii) there shall have been any breach of any covenant, agreement or obligation of Purchaser hereunder to the extent that the condition set forth in Section 9.2(d) cannot be satisfied, and, in the case of (i) or (ii), such breach or failure is not or cannot be remedied by Purchaser within ten (10) days after receipt of notice in writing from Seller specifying the nature of such breach or failure and requesting that it be remedied; *provided that* Seller may not terminate this Agreement based upon the failure of the conditions set forth in Section 9.2(c) or Section 9.2(d) to be satisfied if such failure was solely caused by Seller's or any of its representatives' failure to act in good faith or Seller's breach of this Agreement or failure to use commercially reasonable efforts to cause the Closing to occur;
- (d) by Seller or Purchaser, in the event the Closing has not occurred by July 31, 2011, unless the failure to so consummate is due to a breach of this Agreement by the party seeking to terminate;
- (e) by either Seller or Purchaser, if any governmental agencies or authorities that must grant a Regulatory Approval has denied approval of the P&A Transaction or any

governmental agency or authority of competent jurisdiction shall have issued a final and nonappealable order permanently enjoining or otherwise prohibiting the consummation of the P&A Transaction; or

(f) by Purchaser if the Regulatory Approvals shall contain or require, as a condition to the granting thereof, (i) any modification to any term of this Agreement or the transactions contemplated hereby, (ii) any divestiture of any of the Deposits, the Acquired Assets or any other assets of Purchaser, or (iii) any non-customary requirement of, or restriction on the operation of the Acquired Assets and Assumed Liabilities by, Purchaser following the Closing Date, where the conditions referred to in clauses (i), (ii) or (iii), individually or in the aggregate, would have a material and adverse effect with respect to the business, financial condition or results of operations of Purchaser measured on a scale relative to the business represented by the Branches, Facilities, Acquired Assets and Assumed Liabilities, taken as a whole.

10.2 Effect of Termination. In the event of termination of this Agreement and abandonment of the transactions contemplated hereby pursuant to Section 10.1, no party hereto (or any of its directors, officers, employees, agents or Affiliates) shall have any liability or further obligation to any other party, except that neither Seller nor Purchaser shall be relieved or released from any liabilities or damages arising out of any willful breach of this Agreement.

ARTICLE 11 INDEMNIFICATION

11.1 Indemnification.

(a) Subject to Section 12.1, Seller shall indemnify and hold harmless Purchaser and any Person directly or indirectly controlling or controlled by Purchaser, and their respective directors, officers, employees and agents, from and against any and all Losses asserted against or incurred by Purchaser arising out of or attributable to the following:

(i) any breach of any representation or warranty made by Seller in this Agreement (any such breach to be determined for purposes of this Article 11 without regard to any qualification for “materiality,” “in all material respects,” “Material Adverse Effect” or similar materiality qualifications);

(ii) any breach of any covenant or agreement to be performed by Seller pursuant to this Agreement; or

(iii) any Excluded Liability.

(b) Subject to Section 12.1, Purchaser shall indemnify and hold harmless Seller and any Person directly or indirectly controlling or controlled by Seller, and their respective directors, officers, employees and agents from and against any and all Losses asserted against or incurred by Seller arising out of or attributable to the following:

(i) any breach of any representation or warranty made by Purchaser in this Agreement (any such breach to be determined for purposes of this Article 11 without regard to

any qualification for “materiality,” “in all material respects,” “Material Adverse Effect” or similar materiality qualifications);

(ii) any breach of any covenant or agreement to be performed by Purchaser pursuant to this Agreement; or

(iii) the Assumed Liabilities.

(c) In the event any indemnified party becomes aware of any act, circumstance, development, event, fact, occurrence, statement or omission with respect to which a claim for Losses may be asserted under this Article 11 that is not a Third Party Claim (a “Direct Claim”), the indemnified party shall promptly deliver notice of such Direct Claim to the indemnifying party in writing, specifying (to the extent known) the factual basis for such Direct Claim and the amount, or an estimate, if known or reasonably determinable, of the Losses which the indemnified party claims as a result of such Direct Claim; *provided, however*, that, any delay or failure by the indemnified party to give such notice shall relieve the indemnifying party of its obligations hereunder only to the extent, if at all, that the indemnifying party is adversely prejudiced by reason of such delay or failure. If the indemnifying party does not notify the indemnified party within twenty (20) calendar days following its receipt of such notice that the indemnifying party disputes its liability to the indemnified party under this Section 11.1(c), such Direct Claim specified by the indemnified party in such notice shall be conclusively deemed a liability of the indemnifying party under this Section 11.1(c) or, in the case of any notice in which the amount of the Direct Claim (or any portion thereof) is estimated, on such later date when the amount of such Direct Claim (or such portion thereof) becomes finally determined. Within ten (10) calendar days of the final determination of the amount of the Direct Claim pursuant to the terms of this Section 11.1(c), the indemnifying party shall pay to the indemnified party an amount equal to the Direct Claim by wire transfer of immediately available funds to the bank account or accounts designated in writing by the indemnified party not less than one (1) Business Day prior to such payment.

(d) To exercise its indemnification rights under this Section 11.1 as a result of the assertion against it by any third party of any claim or potential liability for which indemnification is provided under this Article 11 (a “Third Party Claim”), the indemnified party shall promptly notify the indemnifying party of the assertion of such Third Party Claim, discovery of any such potential liability or the commencement of any action or proceeding in respect of which indemnity may be sought hereunder; *provided, however*, that any delay or failure by the indemnified party to give notice shall not relieve the indemnifying party of any liability it may have to such indemnified party to the extent that such failure does not actually and materially prejudice the indemnifying party. The indemnified party shall advise the indemnifying party of all facts relating to such assertion within the knowledge of the indemnified party, and shall afford the indemnifying party the opportunity, at the indemnifying party’s sole cost and expense, to defend against such Third Party Claims (which election must be made by the indemnifying party within fifteen (15) calendar days after having been notified by the indemnified party of the existence of such Third Party Claims and shall be subject to the indemnifying party’s admission in writing of its obligation to indemnify the indemnified party for any Losses in respect of the Third Party Claim). Counsel selected by the indemnifying party to defend any such Third Party Claim shall be a nationally or regionally recognized law firm with the experience and resources to defend the indemnified party against any such Third Party Claim in any such proceeding (and

shall be consented to by the indemnified party, such consent not to be unreasonably withheld). In any such action or proceeding, the indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at its own expense unless (i) the indemnifying party and the indemnified party mutually agree to the retention of such counsel, (ii) the indemnifying party fails to elect to assume the defense of a suit, action or proceeding within the fifteen (15) calendar-day time period, (iii) in the event that the indemnifying party elects to assume the defense of a suit, action or proceeding, in the course of such defense, the indemnifying party fails to continue to take reasonable steps to diligently defend any such Third Party Claim, or (iv) the named parties to any such suit, action or proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party, and in the reasonable judgment of the indemnified party, representation of the indemnifying party and the indemnified party by the same counsel would be inadvisable due to actual or potential differing defenses or conflicts of interests between them that make joint representation inappropriate, then in all such cases of clauses (i), (ii), (iii) and (iv), the indemnifying party shall pay, promptly as statements therefor are received, the reasonable fees and expenses of such counsel for the indemnified parties. Within ten (10) calendar days of determination of the amount of a Third Party Claim becoming non-appealable (whether as a result of procedural exhaustion or lapse of time), the indemnifying party shall pay to the indemnified party an amount equal to the Third Party Claim by wire transfer of immediately available funds to the bank account or accounts designated in writing by the indemnified party not less than one (1) Business Day prior to such payment.

(e) Neither party to this Agreement shall settle, compromise, discharge or consent to an entry of judgment with respect to a claim or liability subject to indemnification under this Article 11 without the other party's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed); *provided that* the indemnifying party may agree without the prior written consent of the indemnified party to any settlement, compromise, discharge or consent to an entry of judgment in each case that by its terms (i) obligates the indemnifying party to pay the full amount of the liability in connection with such claim and that unconditionally releases the indemnified party and its Affiliates from all liability or obligation in connection with such claim and (ii) does not impose injunctive or other non-monetary equitable relief against the indemnified party or its Affiliates, or their respective businesses.

(f) Notwithstanding anything to the contrary contained in this Agreement:

(i) In no event shall either party hereto be entitled to consequential or punitive damages or damages for lost profits in any action relating to the subject matter of this Agreement; *provided that* the foregoing shall not limit the right of an indemnified party to indemnification in accordance with this Article 11 with respect to any component of any claim, settlement, award or judgment against such party by any unaffiliated third party.

(ii) Each party shall cooperate, and cause their respective Affiliates to cooperate, fully in all aspects of any investigation, defense, pretrial activities, trial, compromise, settlement or discharge of any claim in respect of which indemnity is sought pursuant to this Article 11, including by providing the other party with reasonable access to employees and officers (including as witnesses) and other information.

**ARTICLE 12
MISCELLANEOUS**

12.1 Survival.

(a) The parties' respective representations and warranties contained in this Agreement shall survive the Closing Date until the expiration of the applicable statute of limitations.

(b) No claim based on any breach of any representation or warranty shall be valid or made unless notice with respect thereto is given to the indemnifying party in accordance with this Agreement.

12.2 Assignment. Neither this Agreement nor any of the rights, interests or obligations of either party may be assigned by Seller, on the one hand, or Purchaser, on the other hand, without the prior written consent of the other parties, and any purported assignment in contravention of this Section 12.2 shall be void; provided, that Purchaser may freely assign this Agreement to any Affiliate thereof.

12.3 Binding Effect. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

12.4 Public Notice. Prior to the Closing Date, neither Purchaser nor Seller shall make or cause to be made any press release for general circulation, public announcement or disclosure or issue any notice or general communication to employees with respect to any of the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed). Purchaser and Seller each agree that, without the other party's prior written consent, it shall not release or disclose any of the terms or conditions of the transactions contemplated herein to any other Person (other than any bank Regulatory Authority). Notwithstanding the foregoing, each party may make such public disclosure as, based on the advice of its counsel, may be required by law, stock exchange rules or as necessary to obtain the Regulatory Approvals.

12.5 Notices. All notices, requests, demands, consents and other communications given or required to be given under this Agreement and under the related documents shall be in writing and delivered to the applicable party at the address indicated below:

If to Seller:

Old Harbor Bank
2605 Enterprise Road East, Suite 100
Clearwater, FL 33759
Attn: President

With a copy to:

Brent A. Jones, Esq.

Bush Ross, P.A.
1801 North Highland Avenue
Tampa, Florida 33602-2656

If to Purchaser, to:

Community Bank & Company
c/o CBM Florida Holding Company
2025 Lakewood Ranch Blvd
Bradenton, FL 34211
Attention: Trevor Burgess

With a copy to:

Shutts & Bowen LLP
1500 Miami Center
201 S. Biscayne Boulevard,
Miami, Florida 33131
Attention: Bowman Brown

or, as to each party at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 12.5. Any notices shall be in writing, including telegraphic or facsimile communication, and may be sent by registered or certified mail, return receipt requested, postage prepaid, or by fax, or by overnight delivery service. Notice shall be effective upon actual receipt thereof.

12.6 Expenses. Except as expressly provided otherwise in this Agreement, each party shall bear any and all costs and expenses that it incurs, or that may be incurred on its behalf, in connection with the preparation of this Agreement and consummation of the transactions described herein, and the expenses, fees, and costs necessary for any approvals of the appropriate Regulatory Authorities.

12.7 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida applicable to agreements made and entirely to be performed in such state and without regard to its principles of conflict of laws.

12.8 Waiver of Jury Trial. The parties hereby waive, to the fullest extent permitted by law, any right to trial by jury of any claim, demand, action, or cause of action (i) arising under this Agreement or (ii) in any way connected with or related or incidental to the dealings of the parties in respect of this Agreement or any of the transactions contemplated hereby, in each case, whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise. The parties hereby further agree and consent that any such claim, demand, action or cause of action shall be decided by court trial without a jury and that the parties may file a copy of this Agreement with any court as written evidence of the consent of the parties to the waiver of their right to trial by jury.

12.9 Entire Agreement; Amendment.

(a) This Agreement contains the entire understanding of and all agreements between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous agreement or understanding, oral or written, pertaining to any such matters, which agreements or understandings shall be of no force or effect for any purpose.

(b) This Agreement may not be amended or supplemented in any manner except by mutual agreement of the parties and as set forth in a writing signed by the parties hereto or their respective successors in interest. The waiver of any breach of any provision under this Agreement by any party shall not be deemed to be waiver of any preceding or subsequent breach under this Agreement. No such waiver shall be effective unless in writing.

12.10 Third-Party Beneficiaries. Except as expressly provided in Section 11.1, this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than Seller and Purchaser.

12.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.12 Headings. The headings used in this Agreement are inserted for purposes of convenience of reference only and shall not limit or define the meaning of any provisions of this Agreement.

12.13 Severability. If any provision of this Agreement, as applied to any party or circumstance, shall be judged by a court of competent jurisdiction to be void, invalid or unenforceable, the same shall in no way effect any other provision of this Agreement, the application of any such provision and any other circumstances or the validity or enforceability of the other provisions of this Agreement.

12.14 Interpretation. When a reference is made in this Agreement to Articles, Sections or Exhibits, such reference shall be to an Article, Section or Exhibit to this Agreement unless otherwise indicated. The Recitals hereto constitute an integral part of this Agreement. References to Sections include subsections, which are part of the related Section (e.g., a section numbered "Section 5.13(a)" would be part of "Section 5.13" and references to "Section 5.13" would also refer to material contained in the subsection described as "Section 5.13(a)"). The table of contents, index and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The phrases "the date of this Agreement," "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to the date set forth in the Preamble to this Agreement.

12.15 Specific Performance. The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof (and, more specifically, that irreparable damage would likewise occur if the P&A Transaction was not consummated), and, accordingly, that the parties shall be entitled, without the necessity of posting a bond or other security, to seek an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof

(including the parties' obligation to consummate the P&A Transaction, subject to the terms and conditions of this Agreement).

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date and year first above written.

OLD HARBOR BANK

By: _____
Name:
Title:

COMMUNITY BANK & COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date and year first above written.

OLD HARBOR BANK

By: _____
Name:
Title:

COMMUNITY BANK & COMPANY

By: William H. Sederman, Jr.
Name: WILLIAM H. SEDERMAN, JR.
Title: CHAIRMAN

By: Katie Pemble
Name: Katie Pemble
Title: President

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date and year first above written

OLD HARBOR BANK

By:  _____

Name: *Anthony N. Leo*

Title: *Chief Executive Officer*

COMMUNITY BANK & COMPANY

By: _____

Name:

Title:

By: _____

Name:

Title:

APPLICATION AND PLAN FOR THE PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES
PURSUANT TO SECTION 655.414, FLORIDA STATUTES

COMMUNITY BANK + COMPANY

(Exact Name of Acquiring Entity)

2025 LAKEWOOD RANCH BLVD LAKEWOOD RANCH MANATEE, Florida 34211
(Main Office Street Address) (City or Town) (County) (Zip Code)

Authorized to Do Business As: STATE BANK
(Type of Financial Entity)

Exact Name of Selling Entity	Main Office Address (Street, City, County, State)	Type of Financial Entity
OLD HARBOR BANK	2605 ENTERPRISE RD EAST, CLEARWATER, FL PINELLAS 33759	STATE BANK

Is the selling entity a mutual institution? Yes () No (X). If yes, a mutual institution may not sell its assets to a stock entity until it has first converted to a capital stock institution, in accordance with Section 665.033(1), F. S. Has this application to convert been filed? Yes () No (). If not, discuss plans to do so _____

Number of additional offices to be established as a result of this application: 7

Additional details concerning this application may be obtained from:

TREVOR BURGESS DIRECTOR 727-892-3094
(Name and Title) (Telephone)

2025 LAKEWOOD RANCH BLVD LAKEWOOD RANCH, FL 34211
(Mailing Address)

This application should be submitted only after you have made a complete review of Chapter 69U, Florida Administrative Code. Copies of these procedures may be obtained at no cost from the Office of Financial Regulation.

Application fee of \$2,500 (plus \$100 for each additional branch over 10 to be established) payable to the Office of Financial Regulation is attached for deposit to the Financial Institutions Regulatory Trust Fund.
Org: 4384300000
Flair Object Code: 001071
EO: V1
Revenue Source Code: 228

RECEIVED
DIVISION OF FINANCIAL INSTITUTIONS
F/U _____ FILE _____
JUL 07 2011

Mail to:

Office of Financial Regulation
200 East Gaines Street
Tallahassee, Florida 32399-0371

RT: _____ CY: _____

1. All questions should be answered completely. If answer is no or none, this should be indicated. Please note that many of the questions require response on a separate insert page, to be identified as a numbered attachment (Attachment No. _____)
2. Submit an original and one copy of all parts of the Application and Plan to Deputy Director, Office of Financial Regulation, 200 East Gaines Street, Tallahassee, Florida 32399-0371.
3. Assemble all confidential information in a section clearly indicated "Confidential Information".

GENERAL INFORMATION

1. On a **Confidential Attachment**, identify each potential nonconforming activity and provide a schedule and method for terminating each activity. (Attachment No. 1)
2. Indicate the desired effective date for completion of the transaction: 7/31/11
3. Describe any contemplated management changes: MANAGEMENT OF COMPANY
BANK + COMPANY WILL NOT CHANGE

CERTIFICATE

The Applicant, by its President and CEO, hereby certifies that the information contained in this Application and Plan for the Purchase of Assets and Assumption of Liabilities is true and complete to the best of its knowledge and belief; further the Applicant accepts the responsibility of informing the Office promptly of any significant change in the information presented.

Executed this 30th day of JUNE, 2011.

Sign [Signature] Sign [Signature]
 Type WILLIAM H. SEIGEMAN JR Type KATIE PEMBLE

PLAN FOR THE PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

1. Attach a statement setting forth the material terms of the proposed acquisition, assumption, or sale, to include the disposition of all assets and liabilities that are not subject to the Plan. (Attachment No. 2)
2. Will the transferring financial entity be liquidated upon execution of the Plan? Yes (X)
No ().
3. Attach certified copies of Board Resolutions from the acquiring/assuming financial entity and the transferring financial entity indicating each boards' approval of the plan. The approving resolutions should indicate that the transaction is subject to written approval of the Office and approval of the members or stockholders of the transferring financial entity. If a stock financial institution is the transferring financial entity, and the proposed sale is not to be for cash, the Resolution should contain a clear and concise statement that dissenting stockholders of such financial entity are entitled to the rights set forth in Section 658.44(4) and (5), Florida Statutes. (Attachment No. 3)

FINANCIAL DATA

1. Attach a balance sheet for the acquiring institution as of the last day of the month preceding adoption of the plan.
2. Attach a pro forma Statement of Condition for the combined financial entity.

OFFICES AND FIXED ASSETS

Complete the following schedule for all offices being acquired and/or established:

	To be Known as	Exact Street Address	City/State	Date Opened
Operating Branches	SEE ATTACHMENT			
Approved/Unopened				
Branches to be Closed				

For any approved but unopened branches, submit a copy of the application and approval and indicate anticipated opening date. N/A

Provide a breakdown of the institution's present and proposed investment in land, building, and capitalized leases: ESTHATE \$7.1MM TIC @ 6/30/11

	Land	Building	Capitalized Leases	Total Premises	% of Total Capital
Present	\$ 10.6MM	\$ 16.2MM	\$ —	\$ 26.8MM	37.8%
Proposed Additions	\$ 2.2MM	\$ 1.9MM	\$ —	\$ 4.1MM	5.8%
Totals	\$ 12.8MM	\$ 18.1MM	\$ —	\$ 31.0MM	43.6%

INSIDER TRANSACTIONS

Is any insider involved in any aspect of this transaction? Yes () No (X). If yes, complete the following:

NAME	ITEM	RELATIONSHIP (See definition of Financial institution-affiliated party in Subsection 655.005(1)(i), Florida Statutes.)

If the establishment of the branch office will involve an insider transaction:

1. Provide a copy of the Board minutes that disclosed and approved the plans, if applicable.
2. Attach a copy of the appraisal of the purchase or lease, or competitive bids, as applicable, in support of the transaction.

John Pullen

From: Trevor Burgess [trevor@communitybanknow.com]
Sent: Wednesday, July 06, 2011 3:25 PM
To: Johnetta Waller; John Pullen
Subject: Confidential Old Harbor Bank Written Action of Shareholders Approving Proposed Transaction

Attachments: written action of shareholders.pdf



written action of
shareholders...

Please let me know if you have any questions. Represents more than 50% + 1 share of 2,416,674 shares issued and outstanding.

Thanks
Trevor

Trevor Burgess
CEO - CBM Florida Holding Company
Community Bank
6100 4th Street North
St. Petersburg, FL 33703
Tel (727) 892- 3094 Fax (727) 823- 7606
www.communitybanknow.com/

New Name...New Look...Community Bank is pleased to introduce you to our new logo. Click here to read more<<http://www.communitybanknow.com/>>.

CONFIDENTIALITY NOTICE: This e-mail, intended only for the addressee(s), is confidential and may contain certain personal information. Any dissemination or use of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, please notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

**WRITTEN ACTION
OF THE SHAREHOLDERS
OF
OLD HARBOR BANK
*a Florida corporation***

The undersigned, constituting the holders of a majority of the issued and outstanding shares of the common stock of **Old Harbor Bank**, a Florida corporation (the "**Corporation**"), acting pursuant to the authority granted by, and pursuant to, §607.1202 of the Florida Business Corporation Act, Chapter 655, Florida Statutes, and Chapter 658, Florida Statutes, and by agreement of the undersigned not otherwise proscribed by the Corporation's Articles of Incorporation or Bylaws, hereby takes the following written actions in lieu of holding a meeting, pursuant to §607.0704 of the Florida Business Corporation Act, to consider and act upon the same:

1. The Board of Directors has determined it to be advisable and in the best interests of the Company, and the undersigned shareholders hereby approve by written consent the following:

BE IT RESOLVED, that the undersigned shareholders hereby approve and authorize that the Company negotiate, enter into, execute and deliver a definitive purchase agreement (a "**Purchase Agreement**") pursuant to which Community Bank & Company, Florida chartered commercial bank ("**Community Bank**") will purchase substantially all of the assets of the Company for a cash purchase price of \$1.00, and assume certain designated liabilities of the Company, including but not limited to deposit liabilities with respect to deposit accounts as of the close of business on the Closing Date, that constitute "deposits" for purposes of the Federal Deposit Insurance Act, 12 U.S.C. § 1813.

BE IT FURTHER RESOLVED, the undersigned shareholders hereby approve and authorize that the Company, acting by and through its Board of Directors and officers, is hereby authorized to execute and deliver all ancillary agreements required to consummate the definitive purchase agreement (collectively, the "**Ancillary Agreements**"), including, a plan of acquisition (as required by §655.414 Fla. Stat.);

BE IT FURTHER RESOLVED, that the undersigned shareholders hereby approve and authorize that Anthony Leo, Chief Executive Officer, together with each other elected officer of the Company, as authorized signatories on behalf of the Company for the purposes of negotiating, executing and delivering a definitive asset purchase agreement (including exhibits or schedules referenced therein), as such officers shall determine to be necessary or appropriate, the execution and delivery thereof to conclusively evidence such determination and the consent of the corporation thereto; executing and delivering the Ancillary Agreements (including exhibits or schedules referenced therein), as such officers executing such Ancillary Agreements shall determine to be necessary or appropriate, the execution and delivery thereof to conclusively evidence such

determination and the consent of the Company thereto; to perform all actions therein required or contemplated; and to execute and deliver all such further documentation or instruments, and to take all such further action, as such officer, in his sole discretion, may consider necessary or appropriate in order to effect the transactions described in the Purchase Agreement and Ancillary Agreements

BE IT FURTHER RESOLVED, that the undersigned shareholders hereby also approve and authorize that the Company consummate and perform the transactions contemplated under the Purchase Agreement and Ancillary Agreement at closing.

BE IT FURTHER RESOLVED, that all actions authorized hereby are subject to approval of the State of Florida Office of Financial Regulation, the Federal Deposit Insurance Corporation, or any other required governmental regulatory approvals.

Effective as of June __, 2011.

Shareholder

Print Name: _____
Number of Shares Owned: _____

Print Name: _____
Number of Shares Owned: _____

Print Name: _____
Number of Shares Owned: _____

[Handwritten Signature]

Print Name: LAURENCE W. MAXWELL
Number of Shares Owned: _____

[Handwritten Signature]
Print Name: William D. Drost
Number of Shares Owned: 143,400

[Handwritten Signature]
Print Name: Gregory A. Mohr
Number of Shares Owned: 81,950

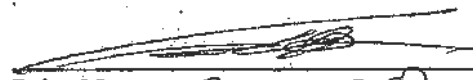
determination and the consent of the Company thereto; to perform all actions therein required or contemplated; and to execute and deliver all such further documentation or instruments, and to take all such further action, as such officer, in his sole discretion, may consider necessary or appropriate in order to effect the transactions described in the Purchase Agreement or Ancillary Agreements


BE IT FURTHER RESOLVED, that the undersigned shareholders hereby also approve and authorize that the Company consummate and perform the transactions contemplated under the Purchase Agreement and Ancillary Agreement at closing.

BE IT FURTHER RESOLVED, that all actions authorized hereby are subject to approval of the State of Florida Office of Financial Regulation, the Federal Deposit Insurance Corporation, or any other required governmental regulatory approvals.

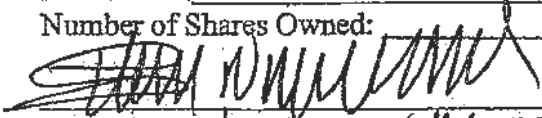
Effective as of June 29 2011.


Shareholder


Print Name: GARY F. QUINCE
Number of Shares Owned: ~~5,500~~ 62,500


Print Name: Cynthia Smith
Number of Shares Owned: 1100

Print Name: _____
Number of Shares Owned: _____


Print Name: LAWRENCE W. MAXWELL
Number of Shares Owned: 762,895


Print Name: William D. Drost
Number of Shares Owned: 143,400

Print Name: Gregory A. Mohr
Number of Shares Owned: 81,950

Number of Shares Owned: _____

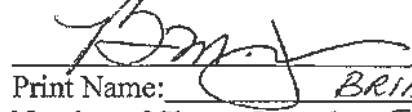


Print Name: MICHAEL J DEAN

Number of Shares Owned: 23,550

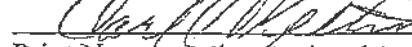
Print Name: _____

Number of Shares Owned: _____




Print Name: BRIAN M. JONES

Number of Shares Owned: 50,000



Print Name: Carl H. Keitner

Number of Shares Owned: 42,150



Print Name: William W. SNORT

Number of Shares Owned: 28,000

Print Name: _____

Number of Shares Owned: _____



Print Name: Robert Symanski

Number of Shares Owned: 13,500

[SIGNATURE PAGE - WRITTEN ACTION – JUNE __, 2011 - SHAREHOLDERS OF OLD HARBOR BANK]

SECRETARY'S CERTIFICATE

I, the undersigned, Secretary of Old Harbor Bank, a Florida banking corporation (the "**Company**"), in connection with the Purchase and Assumption Agreement, dated as of June 30, 2011, between Community Bank & Company (the "**Bank**") and the Company (the "**Purchase Agreement**"), DO HEREBY CERTIFY on behalf of the Company that:

1. As of June 30, 2011, the Company's issued and outstanding capital stock consisted of 2,416,674 shares of common stock, par value \$1.00 per share.

2. Attached hereto as Exhibit A is a true and correct copy of resolutions effective as of July 6, 2011 adopted by written consent by the holders of a majority of the Company's voting capital stock authorizing the execution, delivery and performance of the Purchase Agreement. Except as attached hereto as Exhibit A, no other resolutions have been adopted by the shareholders of the Company which deal with the execution, delivery or performance of the Purchase Agreement or with respect to the transactions contemplated thereby.

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed on its behalf by the undersigned on this 7th day of July, 2011.

OLD HARBOR BANK, a Florida banking corporation



By: _____
Elizabeth Tomlin, Secretary

I, Anthony Leo, Chief Executive Officer of Old Harbor Bank hereby certify that Elizabeth Tomlin is the duly elected and qualified Secretary of Old Harbor Bank and that the signature appearing above is her genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name as of this 7th day of July, 2011.

OLD HARBOR BANK, a Florida banking corporation



By: _____
Anthony Leo, Chief Executive Officer

John Pullen

From: Trevor Burgess [trevor@communitybanknow.com]
Sent: Friday, July 08, 2011 1:25 PM
To: Johnetta H. Waller; John Pullen
Subject: CB&C Shareholder Approval

Attachments: image2011-07-08-132157.pdf, ATT00001.htm



image2011-07-08-132157.pdf (36...
ATT00001.htm (458 B)

Here you go.

Sent from my iPhone
+1 845 233-0399

Begin forwarded message:

From: "PrtService@communitybanknow.com<mailto:PrtService@communitybanknow.com>"
<PrtService@communitybanknow.com<mailto:PrtService@communitybanknow.com>>
To: "Trevor Burgess" <trevor@communitybanknow.com<mailto:trevor@communitybanknow.com>>
Subject: St. Pete Lexmark Scan

Trevor Burgess
CEO - CBM Florida Holding Company
Community Bank
6100 4th Street North
St. Petersburg, FL 33703
Tel (727) 892- 3094 Fax (727) 823- 7606
www.communitybanknow.com/

New Name...New Look...Community Bank is pleased to introduce you to our new logo. Click here to read more<<http://www.communitybanknow.com/>>.

CONFIDENTIALITY NOTICE: This e-mail, intended only for the addressee(s), is confidential and may contain certain personal information. Any dissemination or use of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, please notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

**WRITTEN CONSENT
OF
THE MAJORITY SHAREHOLDER
OF
COMMUNITY BANK & COMPANY**

The undersigned, being the holder of a majority of the outstanding common stock of Community Bank & Company a Florida chartered bank (the "Bank"), hereby adopts the following resolutions:

RESOLVED, that the undersigned shareholder hereby approves and authorizes the Bank to enter into, execute and deliver a definitive purchase agreement and any required ancillary agreements pursuant to which the Bank will purchase substantially all of the assets and liabilities of Old Harbor Bank, Clearwater, Florida for a cash purchase price of \$1.

FURTHER RESOLVED, that the undersigned shareholder hereby also approves and authorizes that the Bank consummate and perform the transactions contemplated under the purchase agreement and any ancillary agreements at closing.

FURTHER RESOLVED, that the Chief Executive Officer and each of the other executive officers of the Bank, acting singly, is hereby authorized and directed to prepare, execute any and all agreements and file Articles of Amendment (or other regulatory filings) reflecting the foregoing as and if required.

FURTHER RESOLVED, that all actions authorized hereby are subject to approval of the State of Florida Office of Financial Regulation, the FDIC, or any other required governmental regulatory approvals.

IN WITNESS WHEREOF, the undersigned have duly executed this Written Consent as of this 8th day of July, 2011.

MAJORITY SHAREHOLDER:

CBM FLORIDA HOLDING COMPANY

By: _____

Name: Marcelo Lima

Title: Chairman

By: _____

Name: Trevor R. Burgess

Title: CEO & Vice Chairman

John Pullen

From: Trevor Burgess [trevor@communitybanknow.com]
Sent: Wednesday, July 06, 2011 11:16 PM
To: Johnetta Waller; John Pullen
Subject: OH Model

Attachments: OH E1.pdf; OH E2.pdf; OH E3.pdf; OH E4.pdf; OH E5.pdf; OH E6.pdf; OH E7.pdf; OH E8.pdf; OH E9.pdf; OH E10.pdf; OH E11.pdf



OH E1.pdf (52 KB)



OH E2.pdf (52 KB)



OH E3.pdf (44 KB)



OH E4.pdf (43 KB)



OH E5.pdf (39 KB)



OH E6.pdf (43 KB)



OH E7.pdf (48 KB)



OH E8.pdf (39 KB)



OH E9.pdf (44 KB)



OH E10.pdf (84 KB)



OH E11.pdf (44 KB)

Here are the projections.

These numbers, as you know, are not yet call report quality or fully audited but they are the best we have at the moment and they are materially correct.

If there are any big changes I'll let you know as soon as I do.

Call with any questions. Oh, and sorry I could not figure out how to combine these all into one file...

Thanks

T

Trevor Burgess
CEO - CBM Florida Holding Company
Community Bank
6100 4th Street North
St. Petersburg, FL 33703
Tel (727) 892- 3094 Fax (727) 823- 7606
www.communitybanknow.com/

New Name..New Look..Community Bank is pleased to introduce you to our new logo. Click here to read more<<http://www.communitybanknow.com/>>.

CONFIDENTIALITY NOTICE: This e-mail, intended only for the addressee(s), is confidential and may contain certain personal information. Any dissemination or use of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, please notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

Exhibit 1*Figures in \$ Thousands*

BALANCE SHEET	TARGET			
	May 2011 As reported	Due Diligence Adj. (1)	Marks to Market (2)	2 Q 2011 Pro-forma
Total accruing loans	135,231	(5,081)	(4,331)	125,819
Total nonaccruing loans	30,907	5,081	(10,268)	25,720
Allowance for loan losses	(7,201)		7,201	-
Total net loans	158,937		(7,398)	151,539
Securities	33,037		-	33,037
Federal funds sold	257			257
Cash and cash equivalents	17,621			17,621
Premises and fixed assets	6,317		(250)	6,067
Goodwill and Other assets	2,847		6,987	9,835
Total other assets	60,078	-	6,737	66,816
Total assets	219,016	-	(661)	218,355
MMDA	43,368			43,368
Savings deposit	22,119			22,119
CD < 100M	77,497		400	77,897
CD > 100M	48,059		-	48,059
NOW accounts	15,861			15,861
DDA	10,666			10,666
Total deposits	217,570	-	400	217,970
Other borrowed money	-		-	-
Other funds and liabilities	385		-	385
Total other funds and liabilities	385	-	-	385
Total liabilities	217,955	-	400	218,355
Minority interest	-			-
Common shares	25,620		(25,620)	-
Reserves and other equity accounts	-			-
Retained earnings	(24,558)		24,558	-
Total shareholder's equity	1,061	-	(1,061)	-
Total liabilities and shareholder's equity	219,016	-	(661)	218,355

Exhibit 2
Figures in \$ Thousands

BALANCE SHEET	PROPOSED TRANSACTION			
	2 Q 2011 Pro-forma	CBM 2Q 2011 Pro-forma	Capital Increase (1)	BANK 2Q11 Pro forma
Total accruing loans	125,819	487,010		612,829
Total nonaccruing loans	25,720	38,581		64,301
Allowance for loan losses	-	(4,063)		(4,063)
Total net loans	151,539	521,528	-	673,067
Securities	33,037	96,935		129,972
Federal funds sold	257	76,133		76,390
Cash and cash equivalents	17,621	8,136	17,600	43,357
Premises and fixed assets	6,067	27,147		33,214
Other assets	9,835	31,145		40,980
Total other assets	66,816	239,496	17,600	323,912
Total assets	218,355	761,024	17,600	996,979
MMDA	43,368	203,750		247,118
Savings deposit	22,119	19,357		41,476
CD < 100M	77,897	149,455		227,352
CD > 100M	48,059	126,246		174,305
NOW accounts	15,861	38,377		54,238
DDA	10,666	61,805		72,471
Total deposits	217,970	598,990	-	816,960
Other borrowed money	-	83,447		83,447
Other funds and liabilities	385	5,994		6,378
Total other funds and liabilities	385	89,441	-	89,825
Total liabilities	218,355	688,431	-	906,785
Minority interest	-	-		-
Common shares	-	84,632	17,600	102,232
Reserves and other equity accounts	-	782		782
Retained earnings	-	(12,820)		(12,820)
Total shareholder's equity	-	72,594	17,600	90,194
Total liabilities and shareholder's equity	218,355	761,024	17,600	996,979

Exhibit 3*Figures in \$ Thousands*

Classified Assets	TARGET			2 Q 2011 Pro-forma
	May 2011 As reported	Diligence Additions (1)	Write-off (2)	
OREO	377			377
Non-accrual	30,907	5,081	(10,268)	25,720
Accruing Grade 6 & TDRs	5,362			5,362
Total classified assets	36,646	5,081	(10,268)	31,459

Exhibit 4*Figures in \$ Thousands*

Classified Assets	PROPOSED TRANSACTION		
	TARGET 2 Q 2011 Pro-forma	CBM 2Q 2011 Pro-forma	BANK 4Q10 Pro-forma
OREO	377	11,953	12,330
Non-accrual	25,720	38,581	64,301
Accruing grade six & TDRs	5,362	9,977	15,339
Total classified assets	31,459	60,511	91,970

Exhibit 5

Figures in \$ Thousands

Allowance for loan and lease losses	BANK					
	BANK 2Q 2011 Pro-forma	Additions from Growth	Additions from Accretion (1)	Additions from Negative migration	Expected Charge-Offs	BANK 4Q11E Pro-forma
ALLL	4,063	743	2,111	750	(729)	6,939
As a % of gross loans	0.60%					0.95%

Exhibit 6*Figures in \$ Thousands***Coverage Ratio**

Components	TARGET 2Q11 Proforma	TARGET 2Q11 Proforma	Write-offs and other adj. (1)	BANK 2Q11 Pro-forma	Proposed Transaction	BANK 2Q11 Pro-forma	BANK 4Q11E Pro-forma
Classified Assets	36,646	41,727	(10,268)	60,511	-	86,890	78,127
Tier 1 Capital	1,061			71,401	-	82,014	84,797
ALLL	7,201			4,063		4,063	6,939
Coverage Ratio	444%			80%		101%	85%

Exhibit 7*Figures in \$ Thousands*

Tier Capital & Ratios	BANK 2Q11 Pro-forma
A: Shareholders' equity	90,194
B: Unrealized gain/(loss) on securities	451
C: Disallowed deferred tax assets	-
D: Disallowed servicing assets and goodwill	7,729
E: Other	-
Tier 1 capital (A - B - C - D - E)	82,014
F: ALLL includible in Tier 2	4,063
G: Qualifying subordinated debt	2,400
Tier 2 capital (F+G)	6,463
Total risk-based capital (Tier 1 + Tier 2)	88,477
Tier 1 leverage Ratio	8.17%
Tier 1 risk-based capital ratio	11.52%
Total risk-based capital ratio	12.43%

Exhibit B*Figures in \$ Thousands***Pro-forma 3 Year earnings plan**

Earnings	2011	2012	2013
Return on Assets	0.64%	0.91%	1.07%
Net Interest Margin	3.65%	4.02%	4.03%
Non Interest Expense / Average Assets	2.63%	2.61%	2.51%

Exhibit 9

Figures in \$ Thousands

Assumptions	Model assumptions		
	2011	2012	2013
Net loans / Deposits	89.47%	95.24%	95.24%
Deposits growth (%)	261.08%	6.78%	8.26%
Deposits growth (\$ '000)	589,004	55,252	71,810
Gross loans growth (%)	249.67%	13.52%	8.53%
Loans growth (\$ '000)	522,997	99,047	70,924
Cash and securities (% of total assets)	12.42%	11.93%	12.00%
Avg. Yield on loans	5.90%	6.25%	6.44%
Avg. Cost of deposits	1.26%	1.52%	1.78%
Avg. difference ("spread")	4.63%	4.73%	4.66%
Non Interest Expense / Average Assets	2.63%	2.61%	2.51%
Non Interest Income / Average Assets	0.51%	0.36%	0.36%
Efficiency ratio	68.21%	64.42%	61.19%
Classified assets coverage ratio	85.16%	57.80%	37.94%
Texas ratio	74.18%	51.30%	34.50%
ROE (% of avg. equity)	6.83%	9.56%	10.81%
ROA (% of average assets)	0.64%	0.91%	1.07%
Dividend Payout Ratio	0.00%	0.00%	0.00%

Exhibit 10

Republic Services

BALANCE SHEET	BANK	3Q11E	4Q11E	1Q12E	2Q12E	3Q12E	4Q12E	1Q13E	2Q13E	3Q13E	4Q13E
	2Q11 Pro-forma										
Total accruing loans	612,829	660,309	677,108	717,570	741,690	765,677	790,916	809,726	829,462	850,107	872,323
Total nonaccruing loans	84,301	61,600	55,365	51,164	47,537	43,962	40,604	37,656	34,970	32,486	30,116
Allowance for loan losses	(4,063)	(5,498)	(6,939)	(8,185)	(9,213)	(10,213)	(11,221)	(12,086)	(12,926)	(13,742)	(14,379)
Total net loans	673,067	716,411	725,534	760,550	780,014	799,427	820,299	835,296	851,506	868,850	888,066
Securities	129,972	122,169	110,906	111,319	111,734	112,380	113,031	114,725	117,318	119,988	122,739
Federal funds sold	76,890	76,811	75,621	51,418	44,579	37,546	39,715	41,439	46,428	48,047	48,178
Cash and cash equivalents	43,357	13,523	13,523	13,672	13,834	13,984	14,200	14,544	14,813	15,066	15,365
Premises and fixed assets	33,214	32,924	32,705	32,704	32,702	32,700	32,698	32,696	32,694	32,692	32,689
Other assets	40,980	37,529	43,347	45,039	46,359	47,463	47,053	46,368	45,613	44,827	44,184
Total other assets	329,912	282,955	276,102	254,152	249,207	244,074	246,787	251,773	256,966	260,639	263,155
Total assets	996,979	999,366	1,001,636	1,014,703	1,029,221	1,043,501	1,067,086	1,087,069	1,108,372	1,129,490	1,151,221
MIMDA	247,118	267,309	267,390	271,133	274,928	278,503	285,465	291,175	296,998	302,938	308,997
Savings deposit	41,476	40,041	40,053	40,614	41,182	41,718	42,760	43,616	44,488	45,378	46,285
CD < 100M	227,352	219,594	219,726	222,818	225,952	228,903	234,635	239,337	244,152	249,058	254,059
CD > 100M	179,305	168,369	168,484	170,876	173,300	175,583	180,002	183,609	187,286	191,038	194,863
NOW accounts	54,238	48,955	48,969	49,655	50,350	51,005	52,280	53,325	54,392	55,480	56,589
DDA	72,471	69,964	69,985	70,964	71,958	72,933	74,716	76,210	77,734	79,289	80,875
Total deposits	816,960	814,231	814,605	826,060	837,671	848,604	869,858	887,372	905,053	923,181	941,664
Other borrowed money	83,447	84,271	84,496	83,631	82,766	81,895	81,021	81,148	81,275	81,380	81,486
Other funds and liabilities	6,328	8,384	8,411	9,282	10,814	12,405	12,681	12,213	12,336	12,450	12,705
Total other funds and liabilities	89,775	92,655	92,906	92,914	93,579	94,300	93,702	93,361	93,611	93,830	94,192
Total liabilities	906,735	906,887	907,512	918,974	931,250	942,904	963,560	980,633	998,664	1,017,011	1,035,859
Minority interest	-	-	-	-	-	-	-	-	-	-	-
Common shares	77,558	79,058	79,058	79,058	79,058	79,058	79,058	79,058	79,058	79,058	79,058
Reserves and other equity accounts	25,456	25,456	25,456	25,456	25,456	25,456	25,456	25,456	25,456	25,456	25,456
Retained earnings	(12,820)	(11,834)	(10,390)	(8,785)	(6,542)	(3,917)	(988)	1,922	5,195	7,265	10,648
Total shareholder's equity	90,194	92,679	94,124	95,729	97,971	100,587	103,526	106,496	109,709	113,478	116,561
Total liabilities and shareholder's equity	996,979	999,366	1,001,636	1,014,703	1,029,221	1,043,501	1,067,086	1,087,069	1,108,372	1,129,490	1,151,221
Check	-	-	-	-	-	-	-	-	-	-	-
INCOME STATEMENT	2Q11E	3Q11E	4Q11E	1Q12E	2Q12E	3Q12E	4Q12E	1Q13E	2Q13E	3Q13E	4Q13E
Total interest earned on securities and fed funds	-	724	783	831	821	833	844	859	912	969	1,012
Total interest earned on loans	11,481	11,951	12,287	12,667	12,592	13,088	13,146	13,146	13,696	14,202	14,669
Total interest income	11,481	11,951	12,287	13,488	13,413	13,921	14,000	14,000	14,609	15,171	15,661
Total interest paid on deposits	(2,550)	(2,690)	(2,960)	(3,105)	(3,276)	(3,454)	(3,611)	(3,879)	(4,171)	(4,414)	(4,614)
Interest paid on other borrowed money	(333)	(274)	(381)	(371)	(371)	(404)	(435)	(445)	(514)	(579)	(579)
Other funds and liabilities	(13)	(13)	(9)	(6)	(6)	(6)	(6)	(5)	(5)	(5)	(5)
Total interest expense	(2,897)	(2,977)	(3,349)	(3,884)	(3,654)	(3,866)	(4,072)	(4,328)	(4,685)	(4,998)	(4,898)
Net interest income	8,584	8,974	8,937	9,604	9,759	10,066	9,928	10,281	10,477	10,684	10,884
Total service fees and non-interest incomes	683	832	940	899	918	940	965	974	997	1,020	1,020
Total payroll and charges	(3,102)	(3,132)	(3,273)	(3,305)	(3,337)	(3,350)	(3,459)	(3,492)	(3,526)	(3,560)	(3,560)
Other fixed costs	(921)	(921)	(970)	(971)	(971)	(971)	(971)	(1,011)	(1,015)	(1,017)	(1,017)
Other non-interest expenses	(2,462)	(2,561)	(2,466)	(2,460)	(2,447)	(2,428)	(2,444)	(2,422)	(2,400)	(2,378)	(2,378)
Total non-interest expenses	(6,484)	(6,515)	(6,709)	(6,737)	(6,756)	(6,754)	(6,810)	(6,927)	(7,043)	(7,090)	(7,090)
Provision for loan losses	(1,797)	(1,804)	(1,533)	(1,324)	(1,306)	(1,323)	(1,074)	(1,056)	(1,038)	(864)	(864)
Other not available results	-	-	-	-	-	-	-	-	-	-	-
Equity income	-	-	-	-	-	-	-	-	-	-	-
Net operating income	986	1,444	1,605	2,242	2,625	2,929	2,930	3,273	3,494	3,665	3,665
Income taxes	-	-	-	-	-	-	-	-	(724)	-	(1,003)
Net income	986	1,444	1,605	2,242	2,625	2,929	2,930	3,273	2,770	2,662	2,662
Check	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-
CASH FLOW	2Q11E	3Q11E	4Q11E	1Q12E	2Q12E	3Q12E	4Q12E	1Q13E	2Q13E	3Q13E	4Q13E
[+] Net income	986	1,444	1,605	2,242	2,625	2,929	2,910	3,273	2,770	2,662	2,662
[+] Depreciation & Amortization	249	249	250	252	254	256	258	261	263	265	265
[+] Equity income	-	-	-	-	-	-	-	-	-	-	-
[Increase] / Decrease in Loans	(43,344)	(9,123)	(35,016)	(19,465)	(19,812)	(20,872)	(14,997)	(16,211)	(17,344)	(19,216)	(19,216)
Increase / (Decrease) in Deposits	(2,729)	974	11,455	11,610	10,934	21,254	17,414	17,781	18,128	18,487	18,487
Change in other assets/liabilities	13,463	7,085	22,105	5,771	6,002	(3,007)	(5,075)	(4,577)	(3,283)	(1,877)	(1,877)
(Capital expenditures) / Sale of fixed assets	40	(30)	(249)	(750)	(752)	(754)	(256)	(254)	(261)	(263)	(263)
Acquisition of participations	-	-	-	-	-	-	-	-	-	-	-
Increase in capital (preferred and common stock)	1,500	-	-	-	-	-	-	-	-	-	-
Dividends / Share buybacks	-	-	-	-	-	-	-	-	-	-	-
Change in Cash Balance	(29,834)	(0)	150	161	151	305	254	260	274	279	279
Beginning Cash Balance	43,357	13,523	13,523	13,672	13,834	13,984	14,290	14,544	14,813	15,086	15,365
Ending Cash Position	13,523	13,523	13,672	13,834	13,984	14,290	14,544	14,813	15,086	15,365	15,644
Change in Cash Balance	29,834	0	(150)	(161)	(151)	(305)	(254)	(260)	(274)	(279)	(279)
Check	-	(0)	0	0	(0)	(0)	0	0	(0)	(0)	(0)

Exhibit 1A

Figures in \$ Thousands

Liquidity Assessment	BANK										
	7Q11 Pro-forma	3Q11E	4Q11E	1Q12E	2Q12E	3Q12E	4Q12E	1Q13E	2Q13E	3Q13E	4Q13E
Liquid Assets	249,719	212,502	200,050	176,409	170,147	163,911	167,036	172,709	178,559	183,121	186,282
Deposits	816,960	814,231	814,605	826,060	837,671	846,604	869,858	887,272	905,053	923,181	941,668
1 Year maturing borrowings	29,300	16,000	19,000	20,800	20,800	23,300	15,800	14,000	14,000	9,500	9,500
Liquidity Ratio	29.51%	25.60%	24.00%	20.83%	19.82%	18.80%	18.86%	19.16%	19.43%	19.63%	19.58%
Core deposits	415,303	426,268	426,396	432,366	438,419	446,118	455,221	464,328	473,612	483,085	492,746
Time Deposits over \$100 mm	174,305	168,369	168,484	170,876	173,300	175,563	180,002	183,609	187,288	191,038	194,863

John Pullen

From: Trevor Burgess [trevor@communitybanknow.com]
Sent: Thursday, July 07, 2011 5:43 PM
To: Waller, Johnetta H.
Cc: John Pullen
Subject: Re: Capital Ratios

Attachments: OH E Cap Ratios.pdf



OH E Cap
Ratios.pdf (54 KB)

Voila!

From: Johnetta Waller <jwaller@fdic.gov<mailto:jwaller@fdic.gov>>
Date: Thu, 7 Jul 2011 17:37:25 -0400
To: Trevor Burgess <trevor@communitybanknow.com<mailto:trevor@communitybanknow.com>>
Subject: Capital Ratios

Trevor,

Johnetta H. Waller

Case Manager - Atlanta, GA

Phone: (229) 446-8616 ext 4031

Cell: (229) 376-5751

jwaller@fdic.gov<mailto:jwaller@fdic.gov>

Trevor Burgess
CEO - CBM Florida Holding Company
Community Bank
6100 4th Street North
St. Petersburg, FL 33703
Tel (727) 892- 3094 Fax (727) 823- 7606
www.communitybanknow.com/

New Name...New Look...Community Bank is pleased to introduce you to our new logo. Click here to read more<<http://www.communitybanknow.com/>>.

CONFIDENTIALITY NOTICE: This e-mail, intended only for the addressee(s), is confidential and may contain certain personal information. Any dissemination or use of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, please notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

CAPITAL RATIOS CALCULATION	2007A	2008A	2009A	2010A	2011E	2012E	2013E	2014E	2015E
Capital calculation									
A: Shareholders' equity	20,265	18,422	20,089	30,076	94,123	103,528	115,366	126,365	139,674
B: Unrealized gain/(loss) on securities	118	236	(63)	(171)	451	451	451	451	451
C: Disallowed deferred tax assets	-	1,279	-	-	-	-	-	-	-
D: Disallowed servicing assets	81	42	12	25	7,729	7,729	7,729	7,729	7,729
Tier 1 capital (A - B - C - D)	20,066	16,865	20,140	30,222	85,944	95,348	107,187	118,185	131,495
E: ALLL includible in Tier 2	2,143	2,903	2,585	3,023	6,939	10,673	11,518	12,612	13,765
F: Qualifying subordinated debt	3,304	3,075	3,000	2,400	1,800	1,200	600	-	-
Tier 2 capital (E + F)	5,447	5,978	5,585	5,423	8,739	11,873	12,118	12,612	13,765
Total risk-based capital (Tier 1 + Tier 2)	25,513	22,843	25,725	35,645	94,682	107,221	119,305	130,797	145,260
Average total assets	242,897	263,265	257,341	271,772	993,478	1,047,566	1,132,631	1,231,366	1,342,796
G: Gross risk weighted assets	218,072	232,257	206,814	241,863	760,850	853,861	921,453	1,008,963	1,101,220
H: Excess ALLL	-	2,212	3,866	960	-	548	2,860	4,325	4,968
Total risk weighted assets	218,072	230,045	202,948	240,903	760,850	853,313	918,593	1,004,638	1,096,252

CAPITAL RATIOS	2007A	2008A	2009A	2010A	2011E	2012E	2013E	2014E	2015E
Tier 1 leverage ratio	8.26%	6.41%	7.83%	11.12%	8.65%	9.10%	9.46%	9.60%	9.79%
Tier 1 risk-based capital ratio	9.20%	7.33%	9.92%	12.55%	11.30%	11.17%	11.67%	11.76%	11.99%
Total risk-based capital ratio	11.70%	9.93%	12.68%	14.80%	12.44%	12.57%	12.99%	13.02%	13.25%

Exhibit 1
Figures in \$ Thousands

BALANCE SHEET	TARGET			
	May 2011 As reported	Due Diligence Adj. (1)	Marks to Market (2)	2 Q 2011 Pro-forma
Total accruing loans	135,231	(5,081)	(4,331)	125,819
Total nonaccruing loans	30,907	5,081	(10,268)	25,720
Allowance for loan losses	(7,201)		7,201	-
Total net loans	158,937		(7,398)	151,539
Securities	33,037		-	33,037
Federal funds sold	257			257
Cash and cash equivalents	17,621			17,621
Premises and fixed assets	6,317		(250)	6,067
Goodwill and Other assets	2,847		6,987	9,835
Total other assets	60,078	-	6,737	66,816
Total assets	219,016	-	(661)	218,355
MMDA	43,368			43,368
Savings deposit	22,119			22,119
CD < 100M	77,497		400	77,897
CD > 100M	48,059		-	48,059
NOW accounts	15,861			15,861
DDA	10,666			10,666
Total deposits	217,570	-	400	217,970
Other borrowed money	-		-	-
Other funds and liabilities	385		-	385
Total other funds and liabilities	385	-	-	385
Total liabilities	217,955	-	400	218,355
Minority interest	-			-
Common shares	25,620		(25,620)	-
Reserves and other equity accounts	-			-
Retained earnings	(24,558)		24,558	-
Total shareholder's equity	1,061	-	(1,061)	-
Total liabilities and shareholder's equity	219,016	-	(661)	218,355

Exhibit 2
Figures in \$ Thousands

BALANCE SHEET	PROPOSED TRANSACTION			
	2 Q 2011 Pro-forma	CBM 2Q 2011 Pro-forma	Capital Increase {1}	BANK 2Q11 Pro forma
Total accruing loans	125,819	487,010		612,829
Total nonaccruing loans	25,720	38,581		64,301
Allowance for loan losses	-	(4,063)		(4,063)
Total net loans	151,539	521,528	-	673,067
Securities	33,037	96,935		129,972
Federal funds sold	257	76,133		76,390
Cash and cash equivalents	17,621	8,136	17,600	43,357
Premises and fixed assets	6,067	27,147		33,214
Other assets	9,835	31,145		40,980
Total other assets	66,816	239,496	17,600	323,912
Total assets	218,355	761,024	17,600	996,979
MMDA	43,368	203,750		247,118
Savings deposit	22,119	19,357		41,476
CD < 100M	77,897	149,455		227,352
CD > 100M	48,059	126,246		174,305
NOW accounts	15,861	38,377		54,238
DDA	10,666	61,805		72,471
Total deposits	217,970	598,990	-	816,960
Other borrowed money	-	83,447		83,447
Other funds and liabilities	385	5,994		6,378
Total other funds and liabilities	385	89,441	-	89,825
Total liabilities	218,355	688,431	-	906,785
Minority interest	-	-		-
Common shares	-	84,632	17,600	102,232
Reserves and other equity accounts	-	782		782
Retained earnings	-	(12,820)		(12,820)
Total shareholder's equity	-	72,594	17,600	90,194
Total liabilities and shareholder's equity	218,355	761,024	17,600	996,979

Exhibit 3*Figures in \$ Thousands*

Classified Assets	TARGET			
	May 2011 As reported	Diligence Additions (1)	Write-off (2)	2 Q 2011 Pro-forma
OREO	377			377
Non-accrual	30,907	5,081	(10,268)	25,720
Accruing Grade 6 & TDRs	5,362			5,362
Total classified assets	36,646	5,081	(10,268)	31,459

Exhibit 4*Figures in \$ Thousands*

Classified Assets	PROPOSED TRANSACTION		
	TARGET 2 Q 2011 Pro-forma	CBM 2Q 2011 Pro-forma	BANK 4Q10 Pro-forma
OREO	377	11,953	12,330
Non-accrual	25,720	38,581	64,301
Accruing grade six & TDRs	5,362	9,977	15,339
Total classified assets	31,459	60,511	91,970

Exhibit 5

Figures in \$ Thousands

Allowance for loan and lease losses	BANK					BANK 4Q11E Pro-forma
	BANK 2Q 2011 Pro-forma	Additions from Growth	Additions from Accretion (1)	Additions from Negative migration	Expected Charge-Offs	
ALL	4,063	743	2,111	750	(729)	6,939
As a % of gross loans	0.60%					0.95%

Exhibit 6*Figures in \$ Thousands***Coverage Ratio**

Components	TARGET 2Q11 Proforma	TARGET 2Q11 Proforma	Write-offs and other adj. (1)	BANK 2Q11 Pro-forma	Proposed Transaction	BANK 2Q11 Pro-forma	BANK 4Q11E Pro-forma
Classified Assets	36,646	41,727	(10,268)	60,511	-	86,890	78,127
Tier 1 Capital	1,061			71,401	-	82,014	84,797
ALLL	7,201			4,063		4,063	6,939
Coverage Ratio	444%			80%		101%	85%

Exhibit B*Figures in \$ Thousands***Pro-forma 3 Year earnings plan**

Earnings	2011	2012	2013
Return on Assets	0.64%	0.91%	1.07%
Net Interest Margin	3.65%	4.02%	4.03%
Non Interest Expense / Average Assets	2.63%	2.61%	2.51%

Exhibit 9*Figures in \$ Thousands*

Assumptions	Model assumptions		
	2011	2012	2013
Net loans / Deposits	89.47%	95.24%	95.24%
Deposits growth (%)	261.08%	6.78%	8.26%
Deposits growth (\$ '000)	589,004	55,252	71,810
Gross loans growth (%)	249.67%	13.52%	8.53%
Loans growth (\$ '000)	522,997	99,047	70,924
Cash and securities (% of total assets)	12.42%	11.93%	12.00%
Avg. Yield on loans	5.90%	6.25%	6.44%
Avg. Cost of deposits	1.26%	1.52%	1.78%
Avg. difference ("spread")	4.63%	4.73%	4.66%
Non Interest Expense / Average Assets	2.63%	2.61%	2.51%
Non Interest Income / Average Assets	0.51%	0.36%	0.36%
Efficiency ratio	68.21%	64.42%	61.19%
Classified assets coverage ratio	85.16%	57.80%	37.94%
Texas ratio	74.18%	51.30%	34.50%
ROE (% of avg. equity)	6.83%	9.56%	10.81%
ROA (% of average assets)	0.64%	0.91%	1.07%
Dividend Payout Ratio	0.00%	0.00%	0.00%

Figures in \$ thousands

BALANCE SHEET	BANK 2011 Pro-forma	3Q11E	4Q11E	1Q12E	2Q12E	3Q12E	4Q12E	1Q13E	2Q13E	3Q13E	4Q13E
Total accruing loans	612,828	660,309	677,108	717,570	741,690	765,677	790,916	809,726	829,462	850,107	872,828
Total nonaccruing loans	64,301	61,600	55,365	51,164	47,537	43,962	40,604	37,656	34,970	32,486	30,116
Allowance for loan losses	(4,063)	(5,498)	(6,939)	(8,285)	(9,213)	(10,213)	(11,221)	(12,086)	(12,926)	(13,742)	(14,378)
Total net loans	673,067	715,411	725,534	760,550	780,014	799,427	820,299	835,296	851,506	866,850	888,066
Securities	129,972	127,169	110,906	111,319	111,734	112,380	113,031	114,725	117,318	119,988	122,739
Federal funds sold	76,390	76,811	75,621	51,418	44,579	37,546	39,715	43,439	46,428	48,047	48,178
Cash and cash equivalents	43,357	13,523	13,523	13,672	13,834	13,984	14,290	14,544	14,813	15,086	15,365
Premises and fixed assets	33,214	32,924	32,705	32,704	32,702	32,700	32,698	32,696	32,694	32,692	32,689
Other assets	40,980	37,529	43,347	45,039	46,358	47,463	47,053	46,368	45,613	44,827	44,184
Total other assets	323,912	282,955	276,102	254,158	249,207	244,074	246,787	252,773	256,466	260,639	263,255
Total assets	996,979	999,366	1,001,636	1,014,703	1,029,221	1,043,501	1,067,086	1,087,069	1,108,372	1,129,490	1,151,221
MMDA	247,118	267,309	267,390	271,133	274,929	278,503	285,465	291,175	296,995	302,938	308,997
Savings deposit	41,476	40,041	40,053	40,614	41,182	41,718	42,760	43,616	44,488	45,378	46,285
CD < 100M	227,352	219,594	219,726	222,818	225,952	228,903	234,635	239,337	244,152	249,058	254,059
CD > 100M	174,305	168,369	168,484	170,876	173,300	175,583	180,002	183,609	187,288	191,038	194,863
NOW accounts	54,238	48,955	48,969	49,655	50,350	51,065	52,280	53,325	54,392	55,480	56,589
DDA	72,471	69,964	69,985	70,964	71,958	72,893	74,716	76,210	77,234	79,289	80,875
Total deposits	816,960	814,231	814,405	826,960	837,671	848,604	849,858	847,272	855,053	863,181	861,668
Other borrowed money	83,447	84,271	84,496	84,631	82,766	81,895	81,021	81,148	81,275	81,380	81,486
Other funds and liabilities	6,378	6,184	6,411	9,283	10,814	12,405	12,681	12,213	12,336	12,450	12,705
Total other funds and liabilities	89,825	92,455	92,906	92,914	89,578	84,100	83,702	83,361	83,611	83,830	84,292
Total liabilities	906,785	906,687	907,512	918,874	931,250	942,904	943,560	940,633	948,664	947,011	945,959
Minority interest	-	-	-	-	-	-	-	-	-	-	-
Common shares	77,558	79,054	79,058	79,054	79,054	79,054	79,054	79,058	79,058	79,058	79,058
Reserves and other equity accounts	25,456	25,456	25,456	25,456	25,456	25,456	25,456	25,456	25,456	25,456	25,456
Retained earnings	(12,820)	(11,834)	(10,300)	(8,785)	(6,542)	(3,917)	(888)	1,927	5,195	7,965	10,848
Total shareholder's equity	90,194	92,679	94,214	95,729	97,573	100,597	103,576	106,436	109,709	112,479	115,361
Total liabilities and shareholder's equity	996,979	999,366	1,001,636	1,014,703	1,029,221	1,043,501	1,067,086	1,087,069	1,108,372	1,129,490	1,151,221

Check

INCOME STATEMENT	3Q11E	3Q11E	4Q11E	1Q12E	2Q12E	3Q12E	4Q12E	1Q13E	2Q13E	3Q13E	4Q13E
Total interest earned on securities and fed funds	-	724	783	831	821	833	844	859	912	969	1,012
Total interest earned on loans	-	10,757	11,168	12,426	12,067	12,567	13,088	13,146	13,696	14,202	14,669
Total interest income	-	13,481	13,951	12,257	12,888	13,425	13,932	14,004	14,609	15,171	15,681
Total interest paid on deposits	-	(2,550)	(2,690)	(2,960)	(3,105)	(3,276)	(3,454)	(3,631)	(3,878)	(4,171)	(4,414)
Interest paid on other borrowed money	-	(333)	(274)	(381)	(372)	(371)	(404)	(435)	(445)	(518)	(579)
Other funds and liabilities	-	(12)	(12)	(8)	(8)	(8)	(8)	(6)	(5)	(5)	(5)
Total interest expense	-	(2,897)	(2,977)	(3,349)	(3,844)	(3,654)	(3,866)	(4,072)	(4,328)	(4,895)	(5,398)
Net interest income	-	8,584	8,974	8,907	9,404	9,771	10,066	9,932	10,281	10,477	10,684
Total service fees and non-interest incomes	-	683	892	940	899	918	940	965	974	997	1,020
Total payroll and charges	-	(3,102)	(3,132)	(3,273)	(3,305)	(3,337)	(3,350)	(3,458)	(3,492)	(3,526)	(3,560)
Other fixed costs	-	(921)	(921)	(972)	(972)	(974)	(976)	(1,011)	(1,015)	(1,017)	(1,017)
Other non-interest expenses	-	(2,462)	(2,561)	(2,466)	(2,460)	(2,447)	(2,428)	(2,444)	(2,422)	(2,400)	(2,378)
Total non-interest expenses	-	(6,484)	(6,435)	(6,709)	(6,737)	(6,758)	(6,754)	(6,913)	(6,927)	(6,941)	(6,955)
Provision for loan losses	-	(1,787)	(1,898)	(1,833)	(1,824)	(1,806)	(1,823)	(1,074)	(1,056)	(1,038)	(864)
Other non-available results	-	-	-	-	-	-	-	-	-	-	-
Equity income	-	-	-	-	-	-	-	-	-	-	-
Net operating income	-	986	1,444	1,605	2,242	2,625	2,929	2,910	3,273	3,494	3,885
Income taxes	-	-	-	-	-	-	-	-	-	(724)	(1,003)
Net income	-	986	1,444	1,605	2,242	2,625	2,929	2,910	3,273	2,770	2,882

Check

CASH FLOW	3Q11E	3Q11E	4Q11E	1Q12E	2Q12E	3Q12E	4Q12E	1Q13E	2Q13E	3Q13E	4Q13E
(+) Net Income	-	986	1,444	1,605	2,242	2,625	2,929	2,910	3,273	2,770	2,882
(+) Depreciation & Amortization	-	249	249	250	257	254	256	258	261	263	265
(-) Equity Income	-	-	-	-	-	-	-	-	-	-	-
(Increase) / Decrease in Loans	-	(43,844)	(9,223)	(35,016)	(18,465)	(18,412)	(20,872)	(14,997)	(16,211)	(17,344)	(19,216)
Increase / (Decrease) in Deposits	-	(2,759)	374	11,455	13,510	10,934	21,254	17,414	17,781	18,128	18,487
Change in other assets/liabilities	-	13,463	7,085	22,105	5,771	6,602	(3,007)	(5,075)	(4,577)	(5,283)	(1,877)
(Capital expenditures) / Sale of fixed assets	-	40	(30)	(249)	(250)	(252)	(254)	(256)	(258)	(261)	(263)
Acquisition of participations	-	-	-	-	-	-	-	-	-	-	-
Increase in capital (preferred and common stock)	-	1,500	-	-	-	-	-	-	-	-	-
Dividends / Share buybacks	-	-	-	-	-	-	-	-	-	-	-
Change in Cash Balance	-	(29,834)	(0)	150	161	151	306	254	268	274	279
Beginning Cash Balance	-	43,357	13,523	13,523	13,672	13,834	13,984	14,290	14,544	14,813	15,086
Ending Cash Position	-	13,523	13,523	13,672	13,834	13,984	14,290	14,544	14,813	15,086	15,365
Change in Cash Balance	-	29,834	0	(150)	(161)	(151)	(306)	(254)	(268)	(274)	(279)

Check

Exhibit 3.1

Figures in \$ Thousands

Liquidity Assessment	BANK	Pro-forma									
	2Q11	3Q11E	4Q11E	1Q12E	2Q12E	3Q12E	4Q12E	1Q13E	2Q13E	3Q13E	4Q13E
Liquid Assets	249,719	212,502	200,050	176,409	170,147	163,911	167,036	172,709	176,559	183,121	186,282
Deposits	816,960	814,231	814,605	826,060	837,671	848,604	869,858	887,272	905,053	923,161	941,668
1 Year maturing borrowings	29,300	16,000	19,000	20,800	20,800	23,300	15,800	14,000	14,000	9,500	9,500
Liquidity Ratio	29.51%	25.60%	24.00%	20.83%	19.82%	18.80%	18.86%	19.16%	19.43%	19.63%	19.58%
Core deposits	415,303	426,268	426,396	432,366	438,419	444,118	455,221	464,326	473,613	483,085	492,746
Time Deposits over \$100 mm	174,305	168,369	168,484	170,876	173,300	175,583	180,002	183,609	187,288	191,036	194,863

John Pullen

From: Trevor Burgess [trevor@communitybanknow.com]
Sent: Tuesday, July 12, 2011 9:46 PM
To: Timothy Hubby; John Henrie; TDujenski@FDIC.gov; Linda Charity; Robert Hayes; Johnetta Waller; John Pullen
Cc: Bill Sedgeman; Katie Pemble; Marcelo Lima
Subject: Revised Community Bank & Co./Old Harbor Model

Attachments: OH E6.pdf; OH E8.pdf; OH E10.pdf; OH E11.pdf; OH E17.pdf; OH E Cap Ratios.pdf; OH E2.pdf; OH E7.pdf; OH E9.pdf



OH E6.pdf (43 KB) OH E8.pdf (39 KB) OH E10.pdf (84 KB) OH E11.pdf (45 KB) OH E17.pdf (69 KB) OH E Cap Ratios.pdf (53 KB) OH E2.pdf (52 KB)



OH E7.pdf (48 KB) OH E9.pdf (44 KB)

Tim, John and Tom,

Thanks for taking the time to talk with me this evening.

Please find the updated model we discussed that adds in the \$10mm extra capital on top of that agreed on June 24th.

As you will see the ratios stay quite strong (well above 9/12) through the cycle. Also, as you can see, we are confident in our ability to materially reduce classified assets by the end of the year (as we have demonstrated our ability to do so in the past).

Most importantly, I think it's important that we continue the dialog given our unique success and business model. I would propose that we get together in person in Atlanta in July or August at the latest.

Please let me know if you have any questions and I look forward to talking tomorrow.

Thanks
Trevor
+1 845-233-0399 mobile

P.S. All other exhibits, such as those that show the PF adjustments for Old Harbor's conservative mark to market are unchanged. Also, we work on the model every day and continuously update and upgrade it. Should there be any material changes we will be sure to share with you as we have done in the past.

Trevor Burgess
CEO - CBM Florida Holding Company
Community Bank
6100 4th Street North
St. Petersburg, FL 33703
Tel (727) 892- 3094 Fax (727) 823- 7606
www.communitybanknow.com/

New Name...New Look...Community Bank is pleased to introduce you to our new logo. Click here to read more<<http://www.communitybanknow.com/>>.

CONFIDENTIALITY NOTICE: This e-mail, intended only for the addressee(s), is confidential and may contain certain personal information. Any dissemination or use of this e-mail by

anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, please notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

Exhibit 2

Figures in \$ Thousands

BALANCE SHEET	PROPOSED TRANSACTION			
	DH 2 Q 2011 Pro-forma	CBM 2Q 2011 Pro-forma	Capital Increase {1}	BANK 2Q11 Pro forma
Total accruing loans	125,819	487,010		612,829
Total nonaccruing loans	25,720	38,581		64,301
Allowance for loan losses	-	(4,063)		(4,063)
Total net loans	151,539	521,528	-	673,067
Securities	33,037	96,935		129,972
Federal funds sold	257	76,133		76,390
Cash and cash equivalents	17,621	8,136	27,600	53,357
Premises and fixed assets	6,067	27,147		33,214
Other assets	9,835	31,145		40,980
Total other assets	66,816	239,496	27,600	333,912
Total assets	218,355	761,024	27,600	1,006,979
MMDA	43,368	203,750		247,118
Savings deposit	22,119	19,357		41,476
CD < 100M	77,897	149,455		227,352
CD > 100M	48,059	126,246		174,305
NOW accounts	15,861	38,377		54,238
DDA	10,666	61,805		72,471
Total deposits	217,970	598,990	-	816,960
Other borrowed money	-	83,447		83,447
Other funds and liabilities	385	5,994		6,378
Total other funds and liabilities	385	89,441	-	89,825
Total liabilities	218,355	688,431	-	906,785
Minority interest	-	-		-
Common shares	-	84,632	27,600	112,232
Reserves and other equity accounts	-	782		782
Retained earnings	-	(12,820)		(12,820)
Total shareholder's equity	-	72,594	27,600	100,194
Total liabilities and shareholder's equity	218,355	761,024	27,600	1,006,979

Exhibit 5*Figures in \$ Thousands***Coverage Ratio**

Components	TARGET 2Q11 Proforma	TARGET 2Q11 Proforma	Write-offs and other adj. {1}	BANK 2Q11 Actual	Proposed Transaction	BANK 2Q11 Pro-forma	BANK 4Q11E Pro-forma
Classified Assets	36,646	41,727	(10,268)	60,511	-	91,970	78,127
Tier 1 Capital	1,061			71,401	20,613	92,014	95,954
ALLL	7,201			4,063		4,063	6,939
Coverage Ratio	444%			80%		96%	76%

Exhibit 7*Figures in \$ Thousands*

Tier Capital & Ratios	BANK 2Q11 Pro-forma
A: Shareholders' equity	100,194
B: Unrealized gain/(loss) on securities	451
C: Disallowed deferred tax assets	-
D: Disallowed servicing assets/goodwill	7,729
E: Other	-
Tier 1 capital (A - B - C - D - E)	92,014
F: ALLL includible in Tier 2	4,063
G: Qualifying subordinated debt	2,400
Tier 2 capital (F+G)	6,463
Total risk-based capital (Tier 1 + Tier 2)	98,477
Tier 1 leverage Ratio	9.08%
Tier 1 risk-based capital ratio	12.51%
Total risk-based capital ratio	13.39%

Exhibit B*Figures in \$ Thousands***Pro-forma 3 Year earnings plan**

Earnings	2011	2012	2013
Return on Assets	0.59%	0.87%	1.06%
Net Interest Margin	3.62%	3.96%	4.00%
Non Interest Expense / Average Assets	2.66%	2.62%	2.53%

Exhibit 9*Figures in \$ Thousands*

Assumptions	Model assumptions		
	2011	2012	2013
Net loans / Deposits	89.47%	95.15%	95.31%
Deposits growth (%)	261.08%	4.59%	8.26%
Deposits growth (\$ '000)	589,004	37,360	70,335
Gross loans growth (%)	249.67%	11.07%	8.72%
Loans growth (\$ '000)	522,997	81,071	70,932
Cash and securities (% of total assets)	12.30%	12.00%	12.08%
Avg. Yield on loans	5.90%	6.24%	6.43%
Avg. Cost of deposits	1.26%	1.52%	1.77%
Avg. difference ("spread")	4.64%	4.72%	4.66%
Non Interest Expense / Average Assets	2.66%	2.62%	2.53%
Non Interest Income / Average Assets	0.51%	0.35%	0.35%
Efficiency ratio	69.43%	65.50%	62.15%
Classified assets coverage ratio	75.93%	52.59%	34.99%
Texas ratio	67.45%	47.44%	32.25%
ROE (% of avg. equity)	5.86%	8.25%	9.77%
ROA (% of average assets)	0.59%	0.87%	1.06%
Dividend Payout Ratio	0.00%	0.00%	0.00%

John Pullen

From: Trevor Burgess [trevor@communitybanknow.com]
Sent: Thursday, July 07, 2011 11:16 AM
To: Johnetta Waller; John Pullen
Subject: Re: OH Model

Attachments: OH E Yearly IS BS CF.pdf



OH E Yearly IS BS
CF.pdf (68 K...

One more exhibit that might be helpful - this is the yearly - so you don't have to add up the quarters.

Let me know if you need anything.

Sorry I should have marked this all confidential (obviously).

Thanks
T

From: Trevor Burgess <trevor@communitybanknow.com<mailto:trevor@communitybanknow.com>>
Date: Wed, 6 Jul 2011 23:15:50 -0400
To: Johnetta Waller <jwaller@fdic.gov<mailto:jwaller@fdic.gov>>, John Pullen <john.pullen@fiofr.com<mailto:john.pullen@fiofr.com>>
Subject: OH Model

Here are the projections.

These numbers, as you know, are not yet call report quality or fully audited but they are the best we have at the moment and they are materially correct.

If there are any big changes I'll let you know as soon as I do.

Call with any questions. Oh, and sorry I could not figure out how to combine these all into one file...

Thanks
T

Trevor Burgess
CEO - CBM Florida Holding Company
Community Bank
6100 4th Street North
St. Petersburg, FL 33703
Tel (727) 892- 3094 Fax (727) 823- 7606
www.communitybanknow.com/

New Name...New Look...Community Bank is pleased to introduce you to our new logo. Click here to read more<<http://www.communitybanknow.com/>>.

CONFIDENTIALITY NOTICE: This e-mail, intended only for the addressee(s), is confidential and may contain certain personal information. Any dissemination or use of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, please notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

Figures in \$ Thousands

BALANCE SHEET	BANK 2Q11 Pro-forma	2011	2012	2013
Total accruing loans	612,829	677,108	790,916	872,328
Total nonaccruing loans	64,301	55,365	40,604	30,116
Allowance for loan losses	(4,063)	(6,939)	(11,221)	(14,378)
Total net loans	673,067	725,534	820,299	888,066
Securities	129,972	110,906	113,031	122,739
Federal funds sold	76,390	76,884	40,980	49,446
Cash and cash equivalents	43,357	13,523	14,290	15,365
Premises and fixed assets	33,214	32,705	32,698	32,689
Other assets	40,980	42,084	45,790	42,921
Total other assets	323,912	276,101	246,789	263,160
Total assets	996,979	1,001,635	1,067,088	1,151,226
MMDA	247,118	267,390	285,465	308,997
Savings deposit	41,476	40,053	42,760	46,285
CD < 100M	227,352	219,726	234,635	254,059
CD > 100M	174,305	168,484	180,002	194,863
NOW accounts	54,238	48,969	52,280	56,589
DDA	72,471	69,985	74,716	80,875
Total deposits	816,960	814,605	869,858	941,668
Other borrowed money	83,447	84,496	81,021	81,486
Other funds and liabilities	6,378	8,411	12,681	12,705
Total other funds and liabilities	89,825	92,906	93,702	94,192
Total liabilities	906,785	907,512	963,560	1,035,859
Minority interest	-	-	-	-
Common shares	77,896	79,396	79,396	79,396
Reserves and other equity accounts	25,456	25,456	25,456	25,456
Retained earnings	(13,158)	(10,728)	(1,323)	10,515
Total shareholder's equity	90,194	94,123	103,528	115,366
Total liabilities and shareholder's equity	996,979	1,001,635	1,067,088	1,151,226
Check	-	-	-	-

Figures in \$ Thousands

INCOME STATEMENT	BANK 2Q11 Pro-forma	2011	2012	2013
Total interest earned on securities and fed funds		2,047	3,340	3,771
Total interest earned on loans		29,943	49,184	55,722
Total interest income		31,990	52,524	59,493
Total interest paid on deposits		(7,286)	(12,794)	(16,094)
Interest paid on other borrowed money		(972)	(1,528)	(1,977)
Other funds and liabilities		(55)	(32)	(22)
Total interest expense		(8,314)	(14,354)	(18,093)
Net interest income		23,675	38,170	41,401

Total service fees and non-interest incomes	3,623	3,677	3,935
Total payroll and charges	(8,907)	(13,265)	(14,037)
Other fixed costs	(2,471)	(3,892)	(4,055)
Other non-interest expenses	(7,581)	(9,801)	(9,644)
Total non-interest expenses	(18,960)	(26,958)	(27,736)
Provision for loan losses	(4,153)	(5,485)	(4,031)
Other not available results	-	-	-
Equity Income	-	-	-
Net operating income	4,186	9,404	13,568
Income taxes	-	-	(1,729)
Net income	4,186	9,404	11,839
<i>Check</i>		-	-

	BANK			
	2Q11	2011	2012	2013
CASH FLOW	Pro-forma			
(+) Net Income	4,186	9,404	11,839	
(+) Depreciation & Amortization	776	1,013	1,046	
(-) Equity income	-	-	-	
(Increase) / Decrease in Loans	(520,042)	(94,765)	(67,767)	
Increase / (Decrease) in Deposits	589,004	55,252	71,810	
Change in other assets/liabilities	(108,715)	30,869	(14,815)	
(Capital expenditures) / Sale of fixed assets	(20,216)	(1,006)	(1,038)	
Acquisition of participations	-	-	-	
Increase in capital (preferred and common stock)	59,102	-	-	
Dividends / Share buybacks	759	-	-	
Change in Cash Balance	4,853	768	1,075	
Beginning Cash Balance	43,357	13,523	14,290	
Ending Cash Position	13,523	14,290	15,365	
Change in Cash Balance	29,834	(768)	(1,075)	

John Pullen

From: Trevor Burgess [trevor@communitybanknow.com]
Sent: Friday, July 08, 2011 5:27 PM
To: John Pullen
Subject: FW: Exhibit 6

Attachments: OH E6 Revised.pdf



OH E6 Revised.pdf
(43 KB)

Tim found a broken link in the model (we had already fixed it) - changed one cell on this exhibit.

T

From: Trevor Burgess <trevor@communitybanknow.com<mailto:trevor@communitybanknow.com>>
Date: Fri, 8 Jul 2011 17:15:39 -0400
To: Timothy Hubby <thubby@fdic.gov<mailto:thubby@fdic.gov>>, Johnetta Waller <jwaller@fdic.gov<mailto:jwaller@fdic.gov>>
Subject: Exhibit 6

Must have had a broken link in the version (only in that one cell) I sent Johnetta, but it's correct in our working one. Good catch!

Here you go.

T

Trevor Burgess
CEO - CBM Florida Holding Company
Community Bank
6100 4th Street North
St. Petersburg, FL 33703
Tel (727) 892- 3094 Fax (727) 823- 7606
www.communitybanknow.com/

New Name...New Look...Community Bank is pleased to introduce you to our new logo. Click here to read more<<http://www.communitybanknow.com/>>.

CONFIDENTIALITY NOTICE: This e-mail, intended only for the addressee(s), is confidential and may contain certain personal information. Any dissemination or use of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, please notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

Exhibit 6

Figures in \$ Thousands

Coverage Ratio

Components	TARGET 2Q11 Proforma	TARGET 2Q11 Proforma	Write-offs and other adj. (1)	BANK 2Q11 Actual	Proposed Transaction	BANK 2Q11 Pro-forma	BANK 4Q11E Pro-forma
Classified Assets	36,646	41,727	(10,268)	60,511	-	91,970	78,127
Tier 1 Capital	1,061			71,401	10,613	82,014	85,944
ALLL	7,201			4,063		4,063	6,939
Coverage Ratio	444%			80%		107%	84%

John Pullen

From: Trevor Burgess [trevor@communitybanknow.com]
Sent: Tuesday, August 23, 2011 11:19 AM
To: Timothy Hubby; Linda Charity; Johnetta Waller; Robert Hayes; John Pullen
Cc: Marcelo Lima; Bill Sedgeman; Katie Pemble
Subject: Old Harbor Bank

Due to circumstances beyond our control we must regretfully withdraw our application to acquire Old Harbor Bank.

[REDACTED] we will not be making a public statement at this time.

Please let me know if you have any questions.

Trevor

Trevor Burgess
CEO - CBM Florida Holding Company
Community Bank
6100 4th Street North
St. Petersburg, FL 33703
Tel (727) 892- 3094 Fax (727) 823- 7606
www.communitybanknow.com/

New Name...New Look...Community Bank is pleased to introduce you to our new logo. Click here to read more<<http://www.communitybanknow.com/>>.

CONFIDENTIALITY NOTICE: This e-mail, intended only for the addressee(s), is confidential and may contain certain personal information. Any dissemination or use of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, please notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.