

APPLICATION FOR APPROVAL TO  
MERGE OR CONSOLIDATE A BANK, TRUST COMPANY, OR ASSOCIATION

Community Bank & Company (Exact Title of Resulting Financial Institution)		Lakewood Ranch (City)
Manatee (County)	34211 (Zip Code)	Florida 1028 (Charter Number)
First Community Bank of America (Exact Title of Other Constituent Financial Institutions)		Pinellas Park (City)
Pinellas (County)	33782 (Zip Code)	OTS 7782 (Charter Number)

UNDER THE CHARTER OF: Community Bank & Company

AND WITH THE TITLE: Community Bank & Company

200 1430000 20110000  
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The location of the main office of the resulting financial institution, if changed from:

2025 Lakewood Ranch Blvd. Lakewood Ranch, FL 34211

(Street Address, City, County, Zip Code)

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to: N/A

(Street Address, City, County, Zip Code)

( X ) Which is the current main office of

Community Bank & Company

(Constituent Financial Institution)

( ) Which is the current branch \_\_\_\_\_

(Constituent Financial Institution)

Please note appropriate designation if the resulting financial institution will be a state-chartered bank: (X) State nonmember Bank ( ) State Member Bank

All questions should be answered completely. If an answer is no or none, this should be indicated. Please note that many of the questions will require responses on a separate insert page to be identified as a numbered attachment. (Attachment # \_\_\_\_\_)

Application fee of \$7,500 payable to the Office of Financial Regulation is attached for deposit to the Financial Institutions' Regulatory Trust Fund.

Additionally, a Successor Institution Application fee, if applicable, of \$2,500 payable to the Office of Financial Regulation is attached for deposit to the Financial Institutions' Regulatory Trust Fund.

Org: 43843000000  
Flair Object Code: 001061  
EO: VI  
Revenue Source Code: 218

Note: If 3 or more financial institutions are involved in the application, the fee shall be \$3,500 for each financial institution involved.

ATTACHMENTS

The attached schedules and exhibits are an integral part of this application:

PUBLIC SECTION

- SCHEDULE I - GENERAL INFORMATION
- SCHEDULE II - PRO FORMA COMBINED BALANCE SHEET
- SCHEDULE III- EARNINGS HISTORY AND CAPITAL ACCOUNTS CHANGES
- SCHEDULE IV- FINANCIAL INSTITUTION OFFICES AND FIXED ASSET INVESTMENT
- SCHEDULE V - TRUST OPERATIONS
- EXHIBIT A- AGREEMENT OF MERGER

CONFIDENTIAL SECTION

- SCHEDULE VI - NONCONFORMING ASSETS

Note: Supplemental schedules and exhibits may be added by the applicants.

ATTESTATION

The applicants hereby represent that the information contained in this application and said attachments is true and complete to the best of their knowledge and belief.

  
\_\_\_\_\_  
(Resulting Financial Institution)

By William H. Sedgeman Jr.  
(Authorized Officer)

Chairman & CEO  
(Title)

  
\_\_\_\_\_  
(Constituent Financial Institution)

By Kenneth P. Chervon  
(Authorized Officer)

~~Chairman &~~ CEO  
(Title)

\_\_\_\_\_  
(Constituent Financial Institution)

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title)

PUBLIC SECTION

SCHEDULE I

1. (a) Attach a certified excerpt from the meetings of the Board of Directors of each constituent financial institution setting forth the resolution adopting the proposed transaction. (Attachment Number 1)

(b) Attach a certified copy of the resolution of the Board of Directors of each constituent national or federal financial institution which authorizes the Office of Financial Regulation to review its records or to examine its condition. (Attachment Number 2)

2. Describe any contemplated management changes as a result of the merger: (Attachment Number 3)

3. In connection with this proposal, the financial institutions have consulted with, relied on, or retained the following legal counsel:

Bowman Brown - Shutts & Bowen Partner  
(Name of Counsel) (Title)

201 South Biscayne Boulevard Miami Florida 33131 [Redacted]  
(Mailing Address) (Phone Number)

4. Requests for additional information or other communications concerning this proposal shall be directed to:

Trevor R. Burgess Director Community Bank & Company  
(Name) (Title)

2025 Lakewood Ranch Blvd. Lakewood Ranch, FL 34211 [Redacted]  
(Mailing Address) (Phone Number)

5. Indicate the desired effective date of the transaction: 4 / 2 / 11

6. Submit the biographical portion of the Interagency Biographical Report and Financial Report for each proposed executive officer, director, or major shareholder (10% or more) not currently associated with the resulting financial institution. (Attachment Number 4)

SCHEDULE II

PRO FORMA COMBINED BALANCE SHEET (as of the end of the quarter prior to the date of application) Date: 12 / 31 / 2010

This schedule is designed to reflect the pro forma combined balance sheet after adjustments. All entries in the adjustment column must be footnoted with a complete explanation of the adjustment.

(ATTACHMENT Number 5)

Assets	Constituent Institutions		+ or -	Combined Institutions
Cash and due from Banks	\$	\$	\$	\$
U. S. Government & Agencies				
State/Municipal Obligations				
Other Securities				

Federal Funds sold and securities purchased under agreement to resell				
Loans (net of valuation reserve & unearned income)				
Lease financing receivable				
Premises and equipment				
Real Estate owned other than financial institution premises				
Other Assets				
Total Assets	\$	\$	\$	\$
<b>Liabilities</b>				
Demand Deposits				
Time Deposits				
Total Deposits	\$	\$	\$	\$
Federal funds purchased and securities sold under agreements to repurchase				
Interest-bearing demand notes issued to the U. S. Treasury & other liabilities for borrowed money				
Mortgage indebtedness and liabilities for capitalized leases				
Other liabilities				
Total Liabilities	\$	\$	\$	\$
<b>CAPITAL</b>				
Subordinated notes and debentures	\$	\$	\$	\$
<b>Stockholders equity:</b>				
Preferred Stock				
Common Stock				
Surplus				
Undivided Profits				
Other capital and contingency reserves				
Total Equity Capital	\$	\$	\$	\$
Total capital to total assets ratio		%	%	%

\* NOTE: Information should be provided in separate columns for each constituent financial institution participating in the merger.

\*\* NOTE: Explain in separate attachments the basis for the adjustments.

1. If any constituent financial institution has outstanding subordinated notes or debentures, attach a detailed summary of the debt and a copy of the note and debenture. (Attachment Number 6)

2. Describe any plans for capital infusions from other than retained earnings: CBM Florida Holding Company intends to capitalize Community Bank & Company with \$30 million to consummation the transaction.

3. Does any constituent financial institution have a stock option plan? Yes ( X ) No ( ) If yes, provide a copy of the plan and state whether or not it is to be continued after consummation of the merger. (Attachment Number 7)

SCHEDULE III

EARNINGS HISTORY - DATE 12 / 31 / 2010

This schedule is designed to summarize the financial institution's earnings history. Information from the latest Consolidated Report of Income filed with the Regulatory Agency should be used as the source document for the preparation of this schedule. (Attachment Number 8)

	Constituent Institutions		+ or -	Combined Institutions
Total Operating Income	\$	\$	\$	\$
Total Operating Expense				
Income before income taxes and securities gains or losses				
Applicable income taxes				
Income before securities gains and losses				
Securities gains and losses				
Net Income	\$	\$	\$	\$

NOTE: Information should be provided in separate columns for each of the constituent financial institutions participating in the merger.

CAPITAL ACCOUNTS CHANGES

Estimate of Total Assets and Capital Accounts for the three years following the proposed merger, for the resulting financial institution. (Attachment Number 9)

	Year 1	Year 2	Year 3
Total Assets	\$	\$	\$
Total Capital Accounts (Unimpaired Capital Stock, Surplus, and Undivided Profits)			
Total Capital/Total Asset Ratio	%	%	%

SCHEDULE IV

FINANCIAL INSTITUTION OFFICES AND FIXED ASSET INVESTMENT

1. Financial Institution Offices: Upon consummation of the merger, the Certificate of Authority issued to each constituent state-chartered financial institution (other than the resulting financial institution) for the operation of its main office will be cancelled.

Attach a listing of all existing and approved but unopened offices for each constituent financial institution involved in the proposed merger. This information should include the complete address of each office, when opened (date approved, if unopened, along with copy of approval order), whether it will remain open after the merger, and the future name of each office remaining open. (Attachment Number 10)

2. Fixed Asset Investment:

(a) This schedule is designed to reflect the pro forma combined investment in fixed assets for the resulting financial institution. Material or substantial changes in these figures are discouraged while the application is being processed: (Attachment Number 11)

	Constituent Institutions		Resulting Institution
Land	\$	\$	\$
Building			
Leasehold Improvements			
Total			

(b) Provide the total sum for proposed additional investments in fixed assets of the resulting financial institution by reason of approved but unopened branches:

	Constituent Institutions		Resulting Institution
Land	\$	\$	\$
Building			
Leasehold Improvements			
Total			

(c) Does any constituent financial institution have an investment in a corporation which owns the land and building within which the business of the financial institution is or will be transacted? Yes ( ) No (X) If yes, provide details of the amount of investment and which offices are involved.

NOTE: Information should be provided in separate columns for each of the constituent financial institutions participating in the merger.

SCHEDULE V

TRUST OPERATIONS (NOT APPLICABLE)

1. Trust Department:

(a) Is the resulting financial institution authorized to exercise trust powers? Yes ( ) No ( ) If yes, will trust services be continued as presently offered? Yes ( ) No ( ) If no, the merger agreement must describe changes.

(b) Does any constituent financial institution (other than the resulting financial institution) exercise trust powers? Yes ( ) No ( ) If yes, please provide the following:

Constituent Financial Institutions	Location of Trust Department	Date Established	Number of Accounts	Dollar Volume of Assets under Administration

(c) Does the resulting financial institution desire to carry over the trust powers of the constituent financial institution? Yes ( ) No ( ) If yes, the merger agreement must so indicate and the Articles of Incorporation of the resulting financial institution must reflect the change.

2. Trust Service Offices:

(a) Has any constituent financial institution (other than the resulting financial institution) established a TSO at a host bank, association or credit union? Yes ( ) No ( ) If yes, attach a complete list of all existing and proposed trust service offices, including the name of the host bank, association or credit union, complete address, date opened (date approved, if unopened, and a copy of approval order), and whether the TSO will remain open after the merger.

(b) Is any constituent financial institution (other than the resulting financial institution) a host financial institution to a trust service office? Yes ( ) No ( ) If so, provide the name and complete address of the financial institution that established the TSO, date established, and whether TSO will continue to operate after the merger.

OFR – CONFIDENTIAL Exhibit Number 5

Financial Statements

PROPOSED TRANSACTION

BALANCE SHEET	TARGET 4Q10 Pro forma	CBM 4Q10 As reported	Capital Increase (1)	Payments to Sellers (2)	OREG Transaction (2)	Closing Adjustment (4)	BANK 4Q10 Pro forma
Total accruing loans	297,572	201,010			8,000		506,581
Total nonaccruing loans	23,710	8,466					32,176
Allowance for loan losses	-	(3,984)					(3,984)
<b>Total net loans</b>	<b>321,282</b>	<b>205,492</b>	-	-	<b>8,000</b>	-	<b>534,774</b>
Securities	46,268	25,595					71,863
Federal funds sold	46,239	16,026				(30,000)	32,265
Cash and cash equivalents	2,477	8,669	30,350	(10,350)	2,000	(22,646)	10,500
Premises and fixed assets	12,547	13,980					26,527
Other assets and investments in subsidiary	27,985	6,338			(10,000)		24,324
<b>Total other assets</b>	<b>135,516</b>	<b>70,609</b>	<b>30,350</b>	<b>(10,350)</b>	<b>(8,000)</b>	<b>(52,646)</b>	<b>165,479</b>
<b>Total assets</b>	<b>456,798</b>	<b>276,101</b>	<b>30,350</b>	<b>(10,350)</b>	-	<b>(52,646)</b>	<b>700,254</b>
MMDA	220,353	43,984				(17,549)	246,789
Savings deposit	11,040	8,899					19,939
CD < 100M	57,140	91,848				(17,549)	131,439
CD > 100M	67,840	47,830				(17,549)	98,121
NOW accounts	-	14,571					14,571
DDA	22,588	18,470					41,058
<b>Total deposits</b>	<b>378,961</b>	<b>225,601</b>	-	-	-	<b>(52,646)</b>	<b>551,916</b>
Other borrowed money	63,850	16,300					80,150
Other funds and liabilities	3,987	4,124					8,111
<b>Total other funds and liabilities</b>	<b>67,837</b>	<b>20,424</b>	-	-	-	-	<b>88,261</b>
<b>Total liabilities</b>	<b>446,798</b>	<b>246,025</b>	-	-	-	<b>(52,646)</b>	<b>640,177</b>
Minority interest							-
Common shares	40,353	45,189	30,350				75,539
Reserves and other equity accounts	(356)	(198)					(198)
Retained earnings	(29,997)	(14,914)		(350)			(15,264)
<b>Total shareholder's equity</b>	<b>10,000</b>	<b>30,076</b>	<b>30,350</b>	<b>(350)</b>	-	-	<b>60,076</b>
<b>Total liabilities and shareholder's equity</b>	<b>456,798</b>	<b>276,101</b>	<b>30,350</b>	<b>(350)</b>	-	<b>(52,646)</b>	<b>700,254</b>

**Notes**

(1) Capitalization of \$30.35 million in the Bank (30.35 million shares at par value of \$1 per share will be issued), resulting in net cash increase of \$30.0 million after transaction expenses.

(2) The Bank will purchase 100% of the outstanding common stock of the Target from the Seller for a total of \$10 million. As the fair value of the Target's Net Assets equals \$10 million, no goodwill will arise from the Proposed Transaction. The closing expenses related to the transaction were estimated at \$0.35 million.



(3) The Bank expects to sell \$10 million of classified assets (OREO) to international investors contingent upon closing the Proposed Transaction. The Bank will finance 80% of the purchase price for a total of \$8 million with a \$2 million cash down payment to be received from the investors (identical to four previous transactions conducted by the Bank and reviewed by the FDIC).

(4) The Target has shrunk significantly over the past several quarters and expects an additional reduction to occur before closing. The Applicants have targeted an opening liquidity ratio of approximately 20% for the Bank post transaction.

OFR - Public Exhibit Number 6

Community Bank & Company has outstanding subordinated notes or debentures which details and copy have been previously provided.

First Community Bank of America has none.

OFR - Public Exhibit Number 7

First Community Bank of America had a stock option related to its holding company however no plan will survive the merger.

OFR - Public Exhibit Number 8

Supplemental Information

<b>Earnings History - 2010</b>	<b>TARGET</b>	<b>BANK</b>	<b>Adjustments</b>	<b>BANK EQUA</b>
Total Operating Income	23.708	12.684		36.392
Total Operating Expenses	38.254	14.290		52.544
<b>Income before taxes</b>	<b>(14.546)</b>	<b>(1.606)</b>	-	<b>(16.152)</b>
Applicable income taxes	4.604	-		4.604
Income before securities G/L	(19.150)	(1.606)	-	(20.756)
Securities G/L	1.005	292		1.297
<b>Net Income</b>	<b>(18.145)</b>	<b>(1.314)</b>	-	<b>(19.459)</b>

**OFR - CONFIDENTIAL Exhibit Number 9**

*Revised 03/11/04, page 1*

<b>Capital Account changes</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Total Assets</b>	741.599	827.742	930.797
<b>Total Capital Accounts</b>	64.828	72.596	81.136
<b>Total Capital / Total Asset ratio</b>	<b>8,74%</b>	<b>8,77%</b>	<b>8,72%</b>

OFR-Public Exhibit Number 10

All offices of the Target will be retained as branches. There are no approved but unopened branches of the Target.

Port Charlotte Office 1950 Tamiami Trl., Port Charlotte, FL 33948  
West Shore Office 3802 S. West Shore Blvd., Tampa, FL 33620  
Veterans Office 24100 Veterans Blvd., Port Charlotte, FL 33954  
West Central Office 6180 Central Ave., Saint Petersburg, FL 33743  
Zephyrhills Office 7435 Gall Blvd., Zephyrhills, FL 33541  
Punta Gorda Office 3855 Tamiami Trl., Punta Gorda, FL 33950  
Mid-County Office 9001 Belcher Road, Pinellas Park, FL 33782 (Target Main Office)  
Largo Office 2075 Seminole Boulevard, Largo, FL 33778  
St. Petersburg Office 6100 4th Street N., St. Petersburg, FL 33703  
South Shore Office 6544 U.S. Highway 41, Apollo Beach, FL 33572  
Dade City Office 13839 U.S. Highway 98, Dade City, FL 33525

All offices of Community Bank will be retained as branches. There is one approved but unopened branch of Community Bank.

Lakewood Ranch Office 2025 Lakewood Ranch Boulevard, Lakewood Ranch, FL (Main Office)  
Braden River Office 6000 State Road 70 East, Bradenton, FL  
West Bradenton Office 7202 Manatee Avenue West, Bradenton, FL  
South Tampa Office 110 South Boulevard, Tampa, FL  
Brandon - Riverview Office 10109 U.S. 301 South, Riverview, FL  
St. Petersburg Office 158 Beach Drive NE, St. Petersburg, FL (approved but unopened)

OFR-Public Exhibit Number 11

As of 12/31/2019

Investments in PP&E (Net of accumulated depreciation)	TARGET	BANK	Adjustment (1)	MARKET Price
Land	5,148	3,843		8,990
Building	6,225	6,259	297	12,782
Leasehold improvements	237	196		433
Other FF&E	640	3,682		4,322
<b>Total Net PP&amp;E</b>	<b>12,250</b>	<b>13,980</b>	<b>297</b>	<b>26,527</b>

(1) Corresponds to a positive mark to market adjustment for the Target's branches under FAS 141R (performed by *Entreken Associates* and reviewed by *Integra Realty Resources*).