

FEDERAL DEPOSIT INSURANCE CORPORATION

Community Bank, Destin
Miramar Beach, Walton County, Florida
Application for Federal Deposit Insurance
(Deposit Insurance Fund)

ORDER

The undersigned, acting on behalf of the Board of Directors pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act and relating to the application for deposit insurance for Community Bank, Destin, Miramar Beach, Walton County, Florida, a proposed new State nonmember bank and Deposit Insurance Fund member, to be located on a permanent basis at 12590 Emerald Coast Parkway, Miramar Beach, Walton County, Florida, with a temporary Main office location at 34940 Emerald Coast Parkway, Miramar Beach, Walton County, Florida, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, that the application submitted by Community Bank, Destin for Federal deposit insurance be and the same hereby is approved subject to the following conditions.

1. That beginning paid-in capital funds of not less than \$12,000,000 be provided;
2. That the Tier 1 capital to assets leverage ratio as defined in Part 325 of the FDIC Rules and Regulations be maintained at not less than eight percent throughout the first three years of operation and that an adequate allowance for loan and lease losses be provided;
3. That any changes in proposed management or proposed ownership to the extent of ten percent or more of stock, including new acquisitions of or subscriptions to ten percent or more of the stock, shall be approved by the FDIC prior to the depository institution opening for business;
4. That Federal deposit insurance shall not become effective unless and until the applicant has been established as a State nonmember bank, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the State authority and that the ownership of the bank by Community Holding Company of Florida, Inc., has been fully approved by the Federal Reserve;
5. That the bank shall operate within the parameters of the business plan submitted to the FDIC. Furthermore, during the first three years of operation, the bank shall notify the Regional Director of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change;

6. That adequate fidelity bond coverage be obtained prior to opening the bank;
7. That an accrual accounting system be adopted for maintaining the bank's books;
8. That the bank obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance is effective, furnish a copy of any reports by the independent auditor (including any management letters) to the Memphis Area Office within 15 days after their receipt by the bank and notify the Area Office within 15 days when a change in its independent auditor occurs;
9. That until the conditional commitment herein ORDERED becomes effective, the Corporation shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action; and
10. That for three years following the effective date of deposit insurance, the Bank must submit to the Regional Director any proposed employment contracts or agreements, performance bonus plans, or stock benefit plans, issued for the benefit of any director or executive officer. Furthermore, any stock benefit plans shall be structured in accordance with the FDIC Statement of Policy on Applications for Deposit Insurance. Notification must be submitted a minimum of 60 calendar days before any proposals are implemented for prior review and comment by the FDIC.
11. That if deposit insurance has not become effective on or before February 20, 2008, or unless in the meantime, a request for an extension of time has been approved by the Corporation, the consent granted shall expire on said date.

Dated this 20th day of February, 2007.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: /s/

Stan Ivie
Regional Director
Dallas Region

IN RE: Community Bank, Destin
 Miramar Beach, Walton County, Florida
 Application for Federal Deposit Insurance
 Deposit Insurance Fund

STATEMENT

Pursuant to the provision of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. § 1815), an application for Federal deposit insurance has been filed for Community Bank, Destin (the Bank), a proposed new state member bank and Deposit Insurance Fund member to be located at 12590 Emerald Coast Parkway, Miramar Beach, Walton County, Florida, with a temporary Main office location at 34940 Emerald Coast Parkway, Miramar Beach, Walton County, Florida.

The community to be served will primarily consist of Walton and Okaloosa County. No formal objections to the proposal have been filed and the granting of deposit insurance will have no apparent adverse effect on the competitive environment. A review of available information, including the proposed Community Reinvestment Act (CRA) program of the applicant, disclosed no inconsistencies with the purpose of the CRA.

The proposed investment in fixed assets is reasonable, capital is adequate, projections for future earnings prospects are favorable, and management is considered satisfactory. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act and the proposal does not appear to present an undue risk to the Deposit Insurance Fund.

Accordingly, based upon careful evaluation of all available facts and information, the Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**REGIONAL DIRECTOR
DALLAS REGION
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**