

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Community Holding Company of Florida, Inc.

Point of Contact:	Fred O. Leopold, Jr.	RSSD: (For Bank Holding Companies)	3577370
UST Sequence Number:	667	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	1,050,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	February 06, 2009	City:	Miramar Beach
Date Repaid ¹ :	N/A	State:	Florida

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

The bank increased lending activity.

To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

The bank increased loans outstanding from 2009 to 2010 as follows: Residential real estate - 99.86%, Commercial real estate 31.62%, Commercial loans - 13.20%, Consumer loans - 90.22%. Total overall portfolio growth was 40.89%.

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Increase securities purchased (ABS, MBS, etc.).

Empty response box for 'Increase securities purchased (ABS, MBS, etc.).'

Make other investments.

Please reference final box on survey for response.

Empty response box for 'Make other investments.' with the instruction 'Please reference final box on survey for response.'

Increase reserves for non-performing assets.

Empty response box for 'Increase reserves for non-performing assets.'

Reduce borrowings.

Empty response box for 'Reduce borrowings.'

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Increase charge-offs.

Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The CPP funds removed a large non-performing asset in 2009 from the books of Community Bank, Destin. The reduction in the subject problem asset avoided losses associated with the asset and a cost of carrying the non-earning asset. In 2010, the problem loan was ultimately charged-off. The capital infusion of \$750,000 in December, 2010 supported the bank's continued growth and aided in maintaining the regulatory required capital levels.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

In 2010, the bank has continued to grow towards profitable operations. Community Bank, Destin grew its loan portfolio 40.89% in 2010 and 49.08% in 2009. Loans outstanding at 12/31/2010 were \$49,968,934 versus \$35,462,073 at year end 12/31/2009.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

Community Holding Company of Florida, Inc., purchased a \$1,000,000 participation in a problem loan held by its subsidiary bank, Community Bank, Destin, in 2009. In 2010, the loan was converted to OREO and subsequently sold. A portion of the cash generated from the sale (\$750,000) was pushed down as capital to Community Bank, Destin in December, 2010.