



October 9, 2009

Dear Valued Client:

Welcoming the opportunity to share our thoughts with you, we enclosed an update of the economy, as we see it.

Your referrals of new business and inquiries about how we might help you ... makes our day... every day.

Please know of our appreciation for your support and patronage.

Sincerely,

A handwritten signature in black ink that reads 'R.L. Epling'. The signature is written in a cursive style with a large, looped 'E' at the end.

Robert L. Epling
President

RLE:lb

Enclosure

NOT YET!

Both the football season and the real world are in full swing and the run to year-end is going to be eventful, without the panic of 2008 as best we can see.

As sports historians know full well, the game "ain't over until it's over." We will leave it to the recession referees to make the official call when the recession clock runs out, but the unofficial scoreboard clearly shows that the long and disparity downturn that began in December 2007 is running out of time (We hope!)

Although most of us have yet to feel it, political and economic leadership reminds us daily that "the recovery" is on the way.

A few sound bites:

✓ **NATIONALLY...**

- We acknowledge Washington's heavy hand in revitalizing the markets, putting up trillions of taxpayers dollars to prevent the collapse of the Financial system. **Only time will tell if the cost is commensurate with the rewards;**
- More jobs are **still** being extinguished than created;
- Households will not spend freely with confidence **until job prospects and residential values stabilize, neither which appear at present;**
- Defined benefit retirement plans are being labeled "**Dinosaurs**", and a gigantically growing problem to government budgeting both current and future;
- \$1.3 Trillion of net worth was **vaporized** in America's households over the past 16 months, even with the stock market recovery;
- **Households are saving** a higher fraction of paychecks to help salve their wounds;
- With any **recovery expected to be tame**, the hiring lag may be quite a while;
- The dollar continues to show weakness and **eventually will ignite inflation;**
- **Budget issues will continue to dominate government** at all levels, with increased difficulties, closer to home;
- The Health Care Legislation could be a watershed event for America..... **very concerning.**

√

LOCALLY...

- Single family residential **values are nearing bottom, if not at bottom;**
- **Numbers of real estate buyers increasing**, bid vs. ask... a distance apart.
- **Condominium values continue to struggle;**
- **Tourism is alive**, in reasonable condition;
- **Agriculture continues as a mainstay**, although slower;
- Only 31% of Florida Banks were profitable for the first half of 2009, **Community Bank of Florida was one of them;**
- **Loan Delinquency and Restructuring continue**, as an every day challenge;
- Deposit growth at Community Bank of Florida continues as a **bright spot;**
- Community Bank of Florida ranked in the **top 5%** in a recent Corporate Culture Survey;
- Community Bank continues to maintain a **strong capital position** of \$53.46 million which equates to \$ to \$12.70 per share of stock (9/30/09.)
- **Florida still has 70° weather when the northeast has subzero weather.**

Job retention, economic growth and prosperity, that's what will get our economy back on track. Let's work together to make them happen, watchful of our elected officials to ensure the Constitution is preserved.

P.S. Laughter is free, especially when you laugh at yourself.

RLE:lb

"If you think nobody cares about you, try missing a couple of loan payments."