



COMMUNITY
BANK

**BUILDING RELATIONSHIPS FOR
BETTER, STRONGER COMMUNITIES**

A Report to Our Customers for

2010

BUILDING RELATIONSHIPS FOR BETTER, STRONGER COMMUNITIES

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A MESSAGE FROM THE CEO



Dear Customers and Friends,

It's my pleasure to take the opportunity to thank each of you for allowing us to serve your financial needs. Year after year, we are privileged to partner with area families and businesses to help our communities grow and thrive.

From our founding, Community Bank has committed its financial resources and talented staff to helping our customers and communities in both good times and challenging times. We have never wavered from our pledge, "making a difference...one relationship at a time."

For that we've been rewarded with your loyalty – which we deeply appreciate. In this report, you can read about the pride we take in being part of the various activities, organizations and charities that define the spirit of the close-knit communities we serve.

Community Bank remains in a strong capital position and is ready to help build for the future. Our assets at year-end were \$194 million, unchanged from the previous year. We were very pleased to see customer deposits grow by 7%. We believe this is a testament to our personal style of doing business, competitive rates, and a strong commitment to our local communities.

Many banks experienced soft loan demand in 2010, and Community Bank was no exception. As the new year begins, we are seeing growing

confidence in the business community and expect loan demand to improve. To ensure a strong capital position, we strengthened our loan loss reserve account by 34% to \$2.8 million. This reserve is available to handle future loan problems without impacting bank earnings.

In 2010, Jeff Burzinski, our founder and former Chairman and CEO, retired from the bank. Jeff enjoyed a long and successful career in community banking, culminating in the founding and building of Community Bank. The talented staff he recruited remains in place and is dedicated to our customers and the communities we serve. Also retiring was Barb Richardson, who was instrumental in helping Jeff start Community Bank. We will miss them both and wish them the very best.

I am pleased to announce two key additions to our Leadership Team in 2010. Michael Speltz joined Community Bank as Chief Financial Officer and Nancy Aune became our Chief Credit Officer responsible for managing credit risk in our loan portfolio. Both Michael and Nancy

bring with them 30 years of experience and knowledge in community banking.

Looking forward, we expect Community Bank's performance to continue to improve as the economy recovers. Loan growth will build gradually and the performance of borrowers should strengthen as we move through the year.

It is becoming increasingly clear that more and more people want to do business with a strong local bank, and we are excited to be your community bank of choice. Our entire staff and Board of Directors thank you for your continued confidence and loyalty. We remain dedicated to serving the financial needs of our communities in 2011 and for years to come.

Sincerely,

A handwritten signature in dark ink that reads "Frederick T. Green". The signature is written in a cursive, flowing style.

Frederick T. Green
Chief Executive Officer

COMMUNITY BANK OFFICERS

From our founding, Community Bank has committed its financial resources and talented staff to helping our customers and communities in both good times and challenging times.



Fred Green
Chief Executive Officer



Mike Speltz
Chief Financial Officer



Nancy Aune
Chief Credit Officer



Lon Hand
President, Chaska



Bill Traxler
President, Chanhassen



Paul Maahs
Senior Vice President, Commercial Lending, Chaska



Randi Mongeon
Vice President, Operations/Cashier



Geoff Hansen
Vice President, Investment Manager



Tom Hughes
Vice President, Commercial Lending, Chanhassen



Mike Gearman
Assistant Vice President, Mortgage Lending



Melissa Carlson
Assistant Vice President, Retail Banking, Chaska



Kevin Westerhaus
Assistant Vice President, Retail Banking, Chaska



Tammy Johnson
Retail Banking Manager, Chanhassen



Michele Miller
Internal Auditor/ Compliance Officer



Jeannie Savage
Personal Banker, Chanhassen

COMMUNITY BANK BOARD OF DIRECTORS



Joel Elftmann Dave Pokorney Steve Burke Robert Stevens Murray Johnson Brenda Johnson Jim Dauwalter Tom Holtz Fred Green

Junior Board of Directors

Doing an outstanding job, serving as our goodwill ambassadors in 2010, were the District 112 students who made up our Junior Board of Directors. These juniors and seniors met once a month and participated in co-curricular activities, such as community service, visiting local businesses and attending a Community Bank Board of Directors meeting. The Junior Board of Directors is guided by Community Bank staff members, Melissa Carlson and Bethany Raser.



Front row left to right: Peyton Zemke, Esther Lee, Lewis Baker, and Meghan Schnetzer

Back row left to right: Bethany Raser (Board Advisor/Head Teller), Olivia Duenow, Corey Drees, Nick Johnson, Melissa Carlson (Board Advisor/AVP)

Supporting the communities we serve goes beyond meeting financial needs. We have a commitment to do what we can to improve the lives of those around us, by investing in and giving back to the community in every way we can. That's what true community banking is all about.

Community:

OUR NAME, OUR PRIDE, AND OUR STRENGTH

Our people play an integral role in the communities where they live, not just as Community Bank employees, but by volunteering countless hours as members of service clubs, chambers of commerce, charitable boards, and community development organizations.

Turning Houses Into Homes

Working with Twin Cities Habitat for Humanity is just one of many projects Community Bank employees devote time to every season. It's a unique partnership through which Habitat homeowners work side-by-side with volunteers from the University of Minnesota Extension Master Gardener™ program to create beautiful yards that turn houses into homes.

Working with Master Gardeners who use their ongoing horticultural training to help with a wide range of community projects, employees help install eco-friendly landscaping, including native prairie plants, low-impact lawns, disease-resistant trees and rain gardens.

Celebrating with Friends

Every year, Community Bank holds a Block Party for our customers, alternating locations between Chaska and Chanhassen. It features games for the kids, face painting, free food and drink, and a live band. There's no better way to spend time with our friends and neighbors.

This annual party creates an important sense of togetherness, making our communities a better and safer place to live. It's a great way to renew neighborhood awareness, exchange greetings and celebrate the importance of making connections with the people around us.

Neighbors Helping Neighbors

In 2010, Community Bank employees, once again, gave their time and skills to Christmas in May ☆ Chaska. This local non-profit organization enlists volunteers for a one-day project to rehabilitate the homes of low-income, disabled and elderly neighbors in the community. Donated work ranges from skilled to unskilled and can include painting, plumbing, carpentry, electrical, hauling, cleaning, and landscaping.

Modeled after a national program, Christmas in May ☆ Chaska is totally free for homeowners and is a community bonding experience for the many volunteers who participate with contributions of cash, materials, and labor.



BUILDING A FOUNDATION FOR COMMUNITY-WIDE SUCCESS

Community Bank is honored to be able to give back to the community not only through the giving of the time and talents of our employees, but also through direct financial contributions.

As a community bank, it's part of our mission statement to positively influence the lives of the people and the communities we serve. One of the key ways that Community Bank is accomplishing this mission is by contributing to the organizations and people who are making a difference. They have an amazing impact on our communities, and we are pleased and proud to offer our assistance.

In 2010, we donated more than \$48,000 to more than 70 non-profit organizations representing education, arts and humanities, health and human services, youth programming, and community support throughout our service area.

The organizations receiving support included:

American Diabetes Association	Hazeltine National Junior Golf Program
American Legion Baseball Association	Holy Family Catholic High School
American Red Cross	Integrity Management
Bloomington Rotary Club	Knights of Columbus
Cap Agency	Let's Go Fishing for Kids
Carver Scott Education	Love INC of Eastern Carver County
Carver Steamboat Days	Miracles of Mitch Foundation
Chanhassen Lions Club	Randy Shaver's Cancer Research and Community Fund Golf Tournament
Chanhassen Rotary Club	Ridgeview Foundation Golf Tournament
Chanhassen Youth Baseball	Southwest Christian High School
Chanhassen/Chaska Junior Board of Directors Scholarship	Spring Hill Elementary - Excelsior
Chaska Christmas In May	St Hubert's Catholic Church
Chaska Fire Department Fishing Contest	St Hubert's Catholic School
Chaska Food Shelf	SW Metro Chamber of Commerce
Chaska High School Touchdown Club	United Way
Chaska Lions Club	University of Minnesota
Chaska Rotary Club	
Chaska/Chanhassen Boy Scouts	
Chinmaya Mission	
City of Chanhassen Senior Center Holiday Gathering	
Common Hope	

At Community Bank, customer service is at the core of our business. So, it's rewarding to learn how much our customers recognize and appreciate our level of service.

Our 2010 customer service survey, sent out to 2,900 customers that have had an account with us for at least one year, showed that we achieved an overall satisfaction rating of 98%.

PROVIDING EXTRAORDINARY CUSTOMER SERVICE

For us, that's a very satisfying outcome that reflects the time and effort we spend on building lasting relationships with all of our customers.

It's important to us that you are completely satisfied and we know we've done everything we can to make your banking experience pleasant and satisfactory. Our strategy is quite simple: always treat the customer with personalized service and the utmost respect.

Our annual customer service survey analyzed overall satisfaction based on six factors:

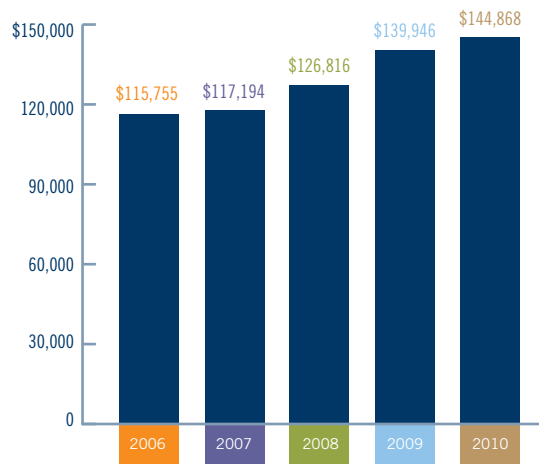
- Knowledge and courtesy of staff
- Explanation of other services
- Answering customer questions
- Efficient use of customer time
- Overall environment
- Overall experience

Community Bank remains in a strong capital position and is ready to help build for the future. Our assets, at year-end, were \$194 million, nearly unchanged from the previous year.

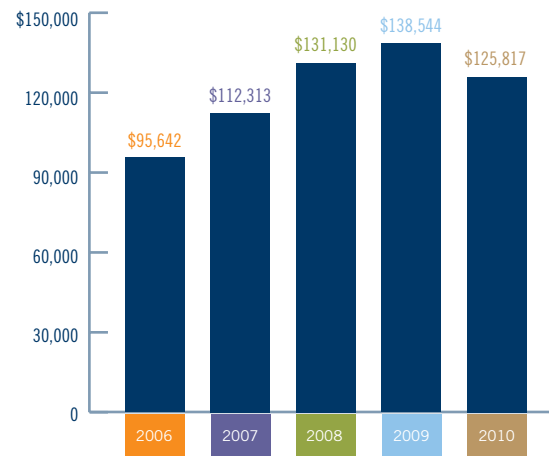
FINANCIAL RESULTS

(In 000s)

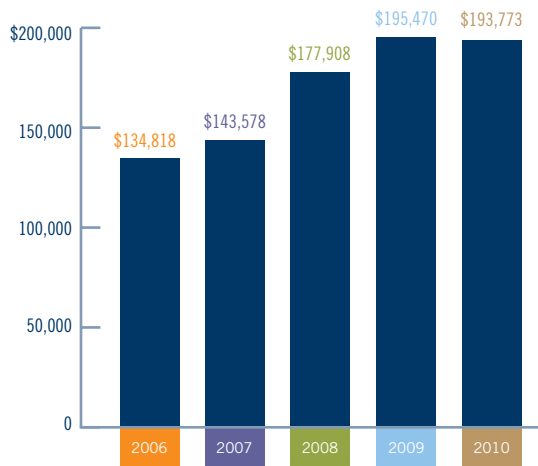
Deposits



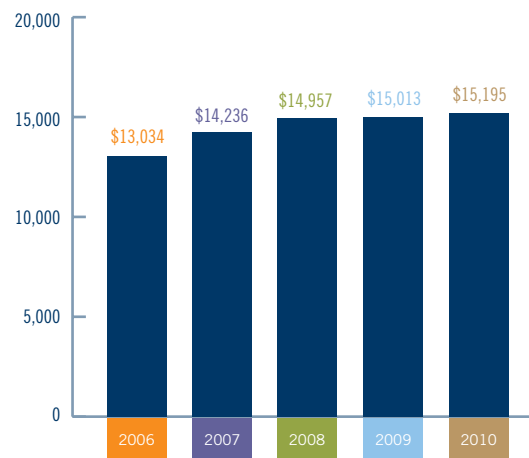
Loans



Assets



Capital



FINANCIAL SUMMARY

as of December 31 (In 000s)

Assets	2010	2009
Net Loans & Leases	125,817	138,544
Investments Securities	14,864	10,621
Cash & Non-Interest Due from Banks	7,118	6,500
Premises & Fixed Assets	2,674	2,933
Total Assets	\$193,773	\$195,470

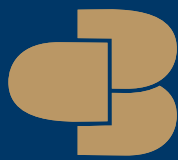
Liabilities

Time Deposits \$100,000 or more	37,573	42,970
Total Deposits	144,868	139,946
Total Liabilities	\$158,413	\$159,965

Equity Capital

Total Equity Capital	35,360	35,505
Total Liabilities & Equity Capital	\$193,773	\$195,470

To ensure a strong capital position, we strengthened our loan loss reserve account by 34% to \$2.8 million.



**COMMUNITY
BANK**

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