



Compensation Committee Charter

I. Purpose

The Compensation Committee shall have direct responsibility for the compensation of the Bank's executive officers. For this purpose, compensation shall include:

- Annual base salary;
- Annual incentive opportunity;
- Issuances of stock options and other awards under the 2004 Long-Term Incentive Plan and other equity compensation plans;
- Profit sharing plans;
- The terms of the Change of Control Severance Plan for Key Corporate Personnel and other employment agreements, severance arrangements and change in control agreements, in each case as, when and if appropriate;
- Any special or supplemental benefits; and
- Any other payments that are deemed compensation under applicable federal securities and banking laws, rules and regulations.

II. Organization

The Compensation Committee shall consist of at least three of the Bank's non-employee directors. Members of the Compensation Committee may be removed at any time by action of the Board. The Compensation Committee's chairperson shall be designated by the Board. The Compensation Committee may form and delegate authority to subcommittees when appropriate. Each member of the Compensation Committee must be a "non-employee director" under Rule 16b-3 of the Securities Exchange Act of 1934, an "outside director" under Internal Revenue Code Section 162(m) and an "independent director" under the NASDAQ listing requirements.

III. Meetings

The Compensation Committee shall have, at a minimum, two meetings per year. Such other meetings may be called as circumstances require. The Compensation Committee's chairperson may call discretionary meetings.

IV. Authority and Responsibilities

To fulfill its responsibilities, the Compensation Committee shall:

1. Review and approve on an annual basis corporate goals and objectives relevant to Chief Executive Officer ("CEO") compensation, evaluate the CEO's performance in light of those goals and objectives and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Compensation Committee will also consider, among such other factors as it may deem relevant, the Bank's performance, shareholder returns, the value of similar incentive awards to chief executive officers at comparable banks and the awards given to the CEO in past years. The CEO shall not be present during voting or deliberations relating to the CEO's compensation.
2. Review and determine compensation of other executive officers on an annual basis.
3. Review and make recommendations to the Board with respect to policies relating to compensation.
4. Make recommendations to the Board with respect to the Bank's equity compensation plan.
5. Administer the 2004 Long-Term Incentive Plan and the Change of Control Severance Plan for Key Corporate Employees.
6. Approve all compensation awards (with or without ratification or approval of the Board) for executive officers, other key employees and all other employees as may be required to comply with applicable tax, corporate and banking laws, as well as SEC and stock exchange rules.

7. Prepare and approve the report required by the Federal Deposit Insurance Corporation ("FDIC") to be included in the Bank's annual proxy statement or, if the Bank does not file a proxy statement, in the Bank's Annual Report filed on Form 10-K with the FDIC.
8. Make grants of equity awards under the 2004 Long-Term Incentive Plan and other equity-based plans.
9. Approve the terms of the grant agreements for all equity awards.
10. Approve for recommendation to the Board the adoption of new incentive compensation and equity-based plans.
11. Approve the material terms of employment offers for executive officers and key employees.
12. Review and approve employment agreements and severance plans and agreements for executive officers and key employees.
13. Periodically review succession planning and changes to executive level organizational structure.
14. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Compensation Committee.
15. Review its own performance annually.
16. Report regularly to the Board.
17. Perform any other activities consistent with this Charter, the Bank's By-laws and governing law, as the Compensation Committee or the Board deems necessary or appropriate.

Nothing in this Charter shall preclude the Board from discussing CEO or non-CEO compensation generally or any other subject.

V. Resources

The Compensation Committee shall have the sole authority to retain or terminate consultants to assist the Compensation Committee in the evaluation of director, CEO or senior executive compensation.

The Compensation Committee shall have the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultant retained to advise the Compensation Committee.