

NOMINATING AND PERSONNEL COMMITTEE CHARTER

This Committee shall be responsible for recommending to the Board candidates for membership on the Board of Directors. The Committee shall also be responsible for recommending to the Board individuals for election to positions of senior management. It shall review senior management compensation and make salary recommendations to the Board. The Committee may periodically review this Management Plan and make recommendations thereon to the Board.

In performing its functions, these provisions shall constitute the charter referred to in NASDAQ Rule 4350(c)(4)(b) for the Nominating and Personnel Committee in its capacity as the Bank's nominations committee for purposes of NASDAQ Rule 4350(c)(4)(a).

A. Purpose

In furtherance of the previously described responsibilities, the purpose of the Nominating and Personnel Committee is to:

1. Identify and nominate Board members;
2. Develop and recommend to the Board a set of principles applicable to the Bank as they relate to Director nominations; and
3. Make appropriate recommendations concerning senior management and retention and compensation.
4. Make appropriate recommendations concerning Committee membership and compensation.

B. Structure and Membership

1. Number. The Nominating and Personnel Committee shall consist of such number of Directors as the Board shall from time to time determine consistent with our bylaws.
2. Independence. Except as otherwise permitted by the applicable rules of NASDAQ, each member of the Nominating and Personnel Committee shall be independent as defined by such rules from time to time.
3. Chair. The Board shall designate a Chair of the Nominating and Personnel Committee on an annual basis.
4. Compensation. The compensation of the Nominating and Personnel Committee members shall be as determined by the Board.
5. Selection and Removal. Members of the Nominating and Personnel Committee shall be appointed by the Board, upon the recommendation of the Committee. The Board may remove members of the Nominating and Personnel Committee from such Committee, with or without cause at any time.

C. Authority and Responsibilities

Board and Committee Membership

1. Selection of Director Nominees. Except where the Bank is legally required by bylaw, contract or otherwise to provide third parties with the ability to nominate Directors, the nomination of Bank Directors will be determined by the Nominating and Personnel Committee making recommendations to the Board for the Board's consideration and approval.
2. Criteria for Selecting Directors. The Board's criteria for selecting Directors are as follows:
 - a. Independence. The Board shall have a majority of Directors who meet the criteria for independence required by the NASDAQ Stock Market Marketplace Rules.
 - b. Size of the Board. The Board currently has 15 members. The Board believes this is an appropriate size given the Bank's present circumstances, but that a smaller or larger Board may be appropriate at any given time, depending on circumstances and changes in the Bank's business.
 - c. Other Directorships. A Director shall limit the number of other public company boards on which he or she serves so that he or she is able to devote adequate time to his or her duties to the Bank, including preparing for and attending meetings. Directors should advise the Chairman of the Board and the Chairman of the Nominating and Personnel Committee in advance of accepting an invitation to serve on another public company board. Service on boards and/or committees of other organizations shall comply with the Bank's conflict of interest policies.
 - d. Tenure. The Board does not believe it should establish term limits. Term limits could result in the loss of Directors who have been able to develop, over a period of time, increasing insight into the Bank and its operations and an institutional memory that benefit the entire membership of the Board as well as management. As an alternative to term limits, the Nominating and Personnel Committee shall review each Director's continuation on the Board at least once every three years. This will allow each Director the opportunity to conveniently confirm his or her desire to continue as a member of the Board and allow the Bank to conveniently replace Directors who are no longer interested or effective.
 - e. Retirement. There shall be no age limit on service. Each member shall be evaluated based on his or her capacity to be effective. In the event that any Board member shall be absent from two consecutive regularly scheduled monthly meetings, the Nominating and Personnel Committee shall meet to consider the capacity of said member to serve.

The Nominating and Personnel Committee shall use such criteria to guide its Director selection process. The Committee shall be responsible for reviewing with the Board, on an annual basis, the requisite skills and criteria for new Board members as well as the composition of the Board as a whole.

3. Search Firms. The Nominating and Personnel Committee shall have the sole authority to retain and terminate any search firm that might be used to identify Director nominees, including sole authority to approve the search firm's fees and other retention terms. The Committee is empowered, without further action by the Board, to cause the Bank to pay the compensation of any search firm engaged by the Committee.
4. Selection of Committee Members. The Nominating and Personnel Committee shall be responsible for recommending to the Board Directors to be appointed to each Committee of the Board as well as the Chair, Clerk, and compensation for the same.

Succession Planning

5. Evaluation of Senior Executives. The Nominating and Personnel Committee, in its capacity as the Board's executive compensation committee, shall be responsible for overseeing the evaluation of the Bank's senior executives (as defined in the Management Plan) on at least an annual basis. The Nominating and Personnel Committee shall determine the nature and frequency of the evaluation, the persons subject to evaluation, conduct of the evaluation and present assessments of the performance of the Bank's senior executives, to be discussed and acted upon by the Board of Directors.

Procedures and Administration

1. Meetings. The Nominating and Personnel Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee shall keep such records of its meetings as it shall deem appropriate.
2. Subcommittees. The Nominating and Personnel Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances.
3. Reports to the Board. The Nominating and Personnel Committee shall report at least annually to the Board.
4. Charter. The Nominating and Personnel Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

5. Independent Advisors. The Nominating and Personnel Committee shall have the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Bank. The Committee is empowered, without further action by the Board, to cause the Bank to pay the compensation of such advisors as established by the Committee.
6. Investigations. The Nominating and Personnel Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Bank to meet with the Committee or any advisors engaged by the Committee.