



COLONIAL AMERICAN BANK
LUXURY EXPENDITURE POLICY

Policy Statement

In accordance with Section 111(d) of the Emergency Economic Stabilization Act, as amended by Section 7001 of the American Recovery and Reinvestment Act, we, the Board of Directors of Colonial American Bank (the "Board") hereby adopt parameters on certain expenditure items as follows, to be implemented on a company-wide basis. This policy may be amended from time to time as additional guidance on luxury expenditures is issued by the Secretary of the United States Department of the Treasury or as the Board deems advisable.

The Board of Directors of Colonial American Bank has set the following limits for the types of luxury expenditures as follows:

Type of Luxury Expenditure	Limit
1. Entertainment or events:	\$1,000.00
2. Office and facility renovations:	\$1,000.00
3. Aviation or other transportation services:	\$1,000.00
4. Other activities or events that are not reasonable expenditures for staff development, reasonable performance incentives, or other similar measures conducted in the bank's normal course of business operations:	\$1,000.00
5. Additional/Miscellaneous luxury expenditures:	\$1,000.00

No expenditures greater than the above limits are allowed without the prior approval of the Board of Directors. Any request to exceed the above limits must be submitted, in writing, to the Chief Financial Officer who will then present the request to the Board of Directors for their review and potential approval. Any violations of this Luxury Expenditure Policy will be immediately reported to the Board of Directors by the Chief Financial Officer.

Violations of the Luxury Expenditure Policy may be subject to disciplinary action, up to and including discharge from employment.



ACKNOWLEDGEMENT

LUXURY EXPENDITURE POLICY

I have received a copy of Colonial American Bank's Luxury Expenditure Policy and I have read and understand the policy for luxury expenditure's.

I agree to abide by the standards set in the Luxury Expenditure Policy for the duration of my employment with Colonial American Bank.

I am aware that violations of the Luxury Expenditure Policy may subject me to disciplinary action, up to and including discharge from employment

I further understand that the Luxury Expenditure Policy may be amended at any time.

Signature

Date