

EXCESSIVE OR LUXURY EXPENDITURE POLICY
OF 21ST CENTURY BANK
AUGUST 15, 2009

In meeting the standards of the rules regarding TARP participation, 21st Century Bank hereby adopts a company-wide policy applicable to the members of the Board of Directors, Officers and Employees which seeks to eliminate or restrict, to the extent possible, excessive or luxury expenditures. In the areas of entertainment and events, office facility renovations, aviation or transportation services, or any other expenditures which could be considered an unreasonable expenditure for staff development or performance incentive, the Bank will maintain those types of expenses at normal and reasonable levels. While we recognize that certain events and expenditures are essential to building business and employee relationships that are required for the Bank to succeed, the purpose of this policy is to safeguard against unreasonable expenditures for building those relationships.

The Bank's Board of Directors will require the Chief Executive Officer (CEO) to present a full report of all items in the categories identified at each regular January meeting of the Board of Directors. The Board will review the expenditures for their reasonableness and compliance with the TARP directive on "Excessive or Luxury Expenditures." During the period in-between the January meetings, it will be the duty of the CEO and the Chief Financial Officer (CFO) to bring any questionable expenditures items to the attention of the Board of Directors for its review and decision as to the reasonableness of the expenditure in light of this policy. Any Director, Officer, or Employee who the Board judges as engaging in extravagant spending will be subject to appropriate discipline, up to and including, reimbursement for the expense and termination where appropriate.

Adopted: Effective August 15, 2009