

FIRST RESOURCE BANK
POLICY ON EXCESSIVE AND LUXURY EXPENDITURES
September 3, 2009

Introduction

First Resource Bank has adopted the following Excessive and Luxury Expenditures Policy (“Luxury Expenditures Policy”) pursuant to Section 111(d) of the Emergency Economic Stabilization Act of 2008, as amended by the American Recovery and Reinvestment Act of 2009. As a recipient of financial assistance under the Troubled Asset Relief Program (“TARP”), the Company must establish standards for the identification, monitoring, approval and reporting of expenditures on activities that may be deemed excessive and in contravention of the Company’s duties under its agreement with the Treasury Department. Accordingly, the purpose of this Luxury Expenditures Policy is to establish standards to govern and monitor activities that are not unacceptable to the Treasury, our shareholders, and the communities in which we operate our business, regarding the use of company assets as it relates to staff development, reasonable performance incentives, or similar measures conducted in the normal course of business operations. The Luxury Expenditures Policy will seek to achieve the following key elements required to be addressed by the Treasury. Specifically the Luxury Expenditures Policy will:

- (1) Identify the types or categories of expenditures that are prohibited;
- (2) Identify the types or categories of expenditures that require prior approval;
- (3) Provide reasonable procedures for expenditures requiring prior approval;
- (4) Require Principal Executive Officer (“PEO”) and Principal Financial Officer (“PFO”) certification that the approval of any expenditure requiring prior approval from any Senior Executive Officer (“SEO”) or the Compensation Committee was properly obtained with respect to each expenditure;
- (5) Require the prompt internal reporting and escalation of violations to an appropriate person or persons identified in this policy; and
- (6) Mandate accountability for adherence to this policy.

The Bank has assigned the Compensation Committee with ultimate responsibility for the oversight of this policy. The Compensation Committee may delegate the implementation of certain administrative, pre-approval and monitoring activities to any member of senior management subject to appropriate reporting, review and, if appropriate, approval, by the Compensation Committee.

Basic Policy

First Resource Bank (the “Bank”) and its directors, officers or employees on its behalf, are prohibited from engaging in excessive or luxury expenditures, as those terms may be

defined from time to time under regulations adopted by the Secretary of the U.S. Treasury Department, which may include excessive expenditures on:

- (1) entertainment or events;
- (2) office and facility renovations;
- (3) aviation or other transportation services; or
- (4) other activities or events

that are not reasonable expenditures for staff development, reasonable performance incentives, or other similar measures conducted in the normal course of the business operations of the Bank.

In addition, the following are prohibited under the Luxury Expenditures Policy:

- (1) The reimbursement of any non-business related expenses incurred by Bank employees; and
- (2) The reimbursement of any expenses incurred by employee's immediate or extended family members

Entertainment and Events Expenses

Entertainment expenses are ordinary and necessary expenditures of the Bank's assets by a Bank employee for business development purposes for both current or prospective customers and to further enhance the Bank's marketing efforts. Customary entertainment expenses such as taking current or prospective customers to lunch, dinner, golfing or sporting events are not deemed as luxury and are not subject to this policy, provided such expense does not exceed an aggregate of \$500 per event. All reimbursements for entertainment expenses exceeding an aggregate of \$500 per event must be approved by the President & CEO. The CEO's entertainment expense exceeding \$500 per event must be approved by the Chairman of the Board and a director's entertainment expense exceeding \$500 per event must be approved by the Compensation Committee.

Each proposed Bank sponsored meeting or event must serve a legitimate business purpose, such as furthering the Bank's marketing efforts or employee development, and be an ordinary and necessary expenditure of the Bank. Any event with a cost exceeding \$1,000 must be supported by documentation detailing a specific business purpose and must be approved by the Compensation Committee.

If multiple officers propose to incur expenses for a given event which, individually, are less than the amount requiring a specified level of approval in this policy, but which, in the aggregate, equal or exceed the amount requiring a specified level of approval, it is the responsibility of the officers proposing to incur the expenditures to coordinate requests and seek a single approval for the combined expenditures.

Office and Facility Renovations

Any renovations of facilities and office spaces must be consistent with the current strategic plan approved by the Board of Directors. Any facilities or office space renovations in excess of \$1,000 per project require prior approval by the President & CEO. Any facilities or office space renovations exceeding \$5,000 per project require prior approval by the Compensation Committee.

At no time should renovations be done that would have the appearance of being extraordinary, luxurious or excessive from a shareholder perspective.

Aviation or Other Transportation Expenses

Transportation for Bank staff in the ordinary course of business including calling on current or prospective customers, attendance at conferences or training seminars or other business development efforts should be conducted in the most cost appropriate way for the Bank. Any travel expenditures not in the ordinary course of business will not be reimbursed. First class airfare and chartered flights are expressly prohibited.

Other Activities or Events

Any other activities that may be deemed excessive luxury expenditures should be discussed with the President & CEO before the Bank is committed to incurring them.

Monitoring, Reporting and Control

At each regularly scheduled meeting, Compensation Committee will review the total expenditures for all entertainment or events; office and facility renovations; aviation or other transportation services on a monthly basis since the prior regularly scheduled meeting. The Compensation Committee shall also conduct an annual review of compliance with this Luxury Expenditures Policy in connection with the annual certification of compliance that is to be provided by the Bank's President & CEO and Chief Financial Officer, and shall present a report on that review to the full Board.

The Luxury Expenditures Policy has been formally adopted by the Board of Directors and any amendments to this policy must be approved by the Compensation Committee and then adopted by the Board. The PEO and PFO will, within 90 days of the completion of each fiscal year any part of which is a TARP period, certify that the Company has adopted and maintains an excessive or luxury expenditures policy and has provided this policy to Treasury in each case in accordance with the requirements under the Interim Final Rule issued in June 2009.

In accordance with the Interim Final Rule, the Bank will initially file this policy with Treasury and post the text of this policy on the Bank's website, www.firstresourcebank.com, by September 13, 2009. On an ongoing basis, the Bank will

file and post the text of amended Luxury Expenditure Policies with the Treasury and the Bank's website, respectively, as soon as is practicable after the Board's approval and adoption of the amended policy.

The Chief Financial Officer is responsible for the day-to-day administration of this policy. Any individual who violates this Policy or knows of any such violation must promptly report the violation to the President & Chief Executive Officer or Chairman of the Board, who shall further report any such alleged violation promptly to the Compensation Committee. Any employee or director who violates this policy shall be subject to disciplinary action up to and including termination or removal from the Board. Upon finding that a violation has occurred, the Compensation Committee shall recommend appropriate disciplinary or corrective actions, together with any recommended changes to this policy, to the full Board for its approval.

Annually as part of the certification required to be given to the U.S. Treasury Department within 90 days after the completion of each TARP fiscal year of the Bank, and more frequently to the extent requested by the Compensation Committee from time to time, the President & CEO and Chief Financial Officer will certify that the approval of any expenditure requiring prior approval under this policy was properly obtained with respect to each expenditure.