1ST CAPITAL BANK

AUDIT AND COMPLIANCE COMMITTEE CHARTER

PURPOSE

The Audit and Compliance Committee ("Committee") is appointed by the Board of Directors to assist the Board of Directors, among other matters, in monitoring the following:

1. The integrity of the Bank's financial statements, financial reporting processes and internal controls regarding finance, accounting, regulatory and legal compliance;

2. The independence, qualifications and performance of the Bank's independent public accountants;

3. The performance of the Bank's internal auditors;

4. Communications among the independent public accountants, management, internal auditors, and the Board of Directors; and

5. Procedures for the receipt, retention and treatment of complaints received by the Bank regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by the Bank's employees of concerns regarding questionable accounting or auditing matters.

COMMITTEE MEMBERSHIP

The Committee shall be comprised of at least three directors. Each member of the Committee shall have the following attributes, subject to permissible exceptions:

1. Independence, as defined in the Nasdaq Listing Rules, including that a member shall not have participated in the preparation of the financial statements of the Bank or any current subsidiary or affiliate of the Bank at any time during the past three years; and

2. The ability to read and understand fundamental financial statements, including the Bank's balance sheet, income statement, and cash flow statement.

At least one member of the Committee shall be an "Audit Committee Financial Expert" as defined in the rules promulgated by the Securities and Exchange Commission as adopted by the Federal Deposit Insurance Corporation, or in the event that no member of the Committee is designated as an Audit Committee Financial Expert, at least one member of the Committee shall be "financially sophisticated." The members of the Committee shall be appointed by the Board of Directors and serve at the pleasure of the Board of Directors.

MEETINGS

The Committee shall meet as often as it determines necessary or appropriate at such times and locations as it determines, but not less frequently than quarterly each fiscal year. The Committee shall meet periodically with the Bank's management, independent public accountants, internal auditor, and, as applicable, its compliance officer.

The Committee may request any officer or employee of the Bank, or the Bank's counsel, or independent public accountants, or internal auditors, or compliance officer, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Committee, in its capacity as a committee of the Board of Directors, shall be directly responsible for the appointment of the independent public accountants (subject, if applicable, to shareholder ratification) and for the retention, compensation and oversight of the work of the independent public accountants (including resolution of disagreements between management and the independent public accountants regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Bank. The independent public accountant shall report directly to the Committee.

The Committee shall pre-approve all audit services and permissible non-audit services to be performed for the Bank by the independent public accountants, subject to any permitted exceptions for pre-approval of non-audit services pursuant to rules and regulations of the Securities and Exchange Commission as adopted by the Federal Deposit Insurance Corporation and/or, as applicable, Nasdaq.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Bank shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent public accountants for the purpose of preparing or issuing an audit report or performing other audit, review or attest services and to any other advisors employed by the Committee.

The Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Bank regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by the Bank's employees of concerns regarding questionable accounting or auditing matters.

The Committee shall make regular reports to the Board of Directors. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

The Committee shall have unrestricted access to Bank personnel and documents and will be provided the resources necessary to operate under this Charter. The Committee shall have the power to conduct or authorize investigations into any matters within the scope of this Charter.

The Committee shall perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board of Directors or the Committee deems appropriate including, to the extent required by applicable rules or regulations of the Securities and Exchange Commission as adopted by the Federal Deposit Insurance Corporation and/or, as applicable, Nasdaq, the following:

1. Financial Statement and Disclosure Matters

(a) Review with management and the independent public accountants the annual audited financial statements, including disclosures made in the Bank's Annual Report to Shareholders.

(b) Review with management, the independent public accountants, the internal auditors and Bank counsel any certification provided by management related to the Bank's financial statements. Review with management, the independent public accountants, and the internal auditors management's assertion regarding the design effectiveness and operation efficiency of the Bank's internal control over financial reporting and compliance with the applicable laws and regulations.

(c) Review with management and the independent public accountants significant financial reporting issues and judgments made in connection with the preparation of the Bank's financial statements, including any significant changes in the Bank's selection or application of accounting principles, any material issues as to the adequacy of the Bank's internal controls and any actions taken or adopted in light of material control deficiencies.

(d) Review a report by the independent public accountants concerning (i) all critical accounting policies and practices to be used; (ii) alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent public accountants; and (iii) any other material written communications between the independent public accountants and the Bank's management.

(e) Review with management and the independent public accountants the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Bank's financial statements.

(f) Review with management the Bank's major financial risk exposures and the actions management has taken to monitor and control such exposures, including the Bank's risk assessment and risk management policies.

(g) Review with the independent public accountants (i) the matters required to be discussed by the Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standards), as amended or supplemented; (ii) the letter from the independent public accountants required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), as amended or supplemented, and the independence of the independent public accountants related thereto; and (iii) matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

(h) Review disclosures made to the Committee by the Bank's Chief Executive Officer and Chief Financial Officer about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Bank's internal controls.

2. Independent Public Accountant Oversight

(a) Review the length of time the lead and concurring partner of the independent public accountants' team has been engaged to audit the Bank.

(b) On an annual basis, the Committee shall review and discuss with the independent public accountants (i) all relationships they have with the Bank that could impair the independent public accountant's independence; (ii) the independent public accountant's internal quality control procedures; and (iii) any material issues raised by the most recent internal quality control review or peer review of the independent public accountant's firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent public accountant's firm, and the steps taken to deal with those issues.

(c) Ensure the rotation of the lead audit partner of the independent public accountants having primary responsibility for the Bank's audit and the audit partner responsible for reviewing the audit to the extent required by applicable law or regulation.

(d) Prohibit, to the extent required by applicable law or regulation, the hiring of any employee of the independent public accountants who was engaged on the Bank's account and who would be employed by the Bank in a financial reporting oversight role.

(e) Meet with the independent public accountants prior to the Bank's audit to discuss the planning and staffing of the audit.

3. Internal Audit Oversight

(a) Approve the appointment and replacement of the independent firm of internal auditors; including the independence and authority of the auditors' reporting obligations.

(b) Review significant reports to management prepared by the auditors and management's responses.

(c) Review with the auditors and management the auditors' responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

(d) Review the audit scope and audit staffing plan and discuss the completeness of coverage and effective use of audit resources with both the auditors and the independent public accountants.

(e) Review with the auditors a progress report on the internal audit plan and any significant changes with explanations for any changes from the original plan.

(f) Receive confirmation from both the auditors and the independent public accountants that no limitations have been placed on the scope or nature of their audit process or procedures.

4. Compliance and Internal Control Oversight

(a) Review reports and disclosures of insider and related person transactions.

(b) Review with management and the independent public accountants any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Bank's internal controls, financial statements or accounting policies.

(c) Review legal matters that may have a material impact on the financial statements or the Bank's compliance policies with the Bank's counsel.

(d) Review the adequacy and effectiveness of the Bank's internal controls and security matters with management, the auditors and the independent public accountants.

(e) Annually evaluate the performance of the Committee and the adequacy of this Charter.