



Charter of the Audit Committee

Organization

The audit committee of the board of directors shall consist of at least two directors who are generally knowledgeable in financial and auditing matters. Whenever possible the committee shall include at least one member with accounting or related financial management expertise, who qualifies as an audit committee financial expert as defined by the rules of the U.S. Securities and Exchange Commission. Each member shall be free of any relationship that, in the opinion of the board, would interfere with his or her individual exercise of independent judgment. Applicable laws and regulations shall be followed in evaluating a member's independence, including the rules of the Securities and Exchange Commission and the Nasdaq National Market System. The chairperson shall be appointed by the full board.

Statement of Policy

The audit committee provides assistance to the corporate directors in fulfilling their responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the corporation, and the quality and integrity of the financial reports of the corporation. It is the responsibility of the audit committee to maintain free and open means of communication between the directors, the independent auditors, the internal accounting staff, and the financial management of the corporation.

Relationship with Auditors

The audit committee is responsible for the hiring, supervision, compensation and termination of the company's independent auditors. The independent auditors shall report directly to the audit committee. The audit committee is responsible for determining the independence of the company's outside auditor and must approve in advance, all audit and non-audit services provided by the outside auditor.

Relationship with Management

The audit committee consults with management to review critical accounting policies and alternative accounting treatment of financial reporting issues. In the event of a dispute between management and the company's independent auditors over accounting and financial reporting, the audit committee will resolve disputes after consulting with both management and the independent auditors.

Relationship with the Board of Directors

The audit committee regularly reports to the full board on internal auditing, the performance of the auditors, and all significant accounting and financial reporting issues. Members of the audit committee are not, however, expected to bear greater responsibility or liability for assuring compliance with accounting rules and federal and state securities laws than other members of the board of directors.

Authority

In discharging its oversight role, the audit committee is empowered to investigate any matter brought to its attention, with full power to retain and compensate outside counsel or other experts

for this purpose. The company must sufficiently fund the audit committee to discharge its duties, including retention of experts.

Specific Responsibilities

The audit committee checklist delineates the committee's specific responsibilities. The committee relies on expertise from management, the independent auditors and the corporate staff in carrying out its responsibilities. Management of the company is responsible to determine that the company's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. The public accounting firm is responsible for auditing the company's financial statements. It is not the audit committee's duty to plan or conduct audits, to determine that the financial statements are complete, accurate and in accordance with generally accepted accounting principles, to conduct investigations, or to assure compliance with laws and regulations or the company's internal procedures or controls.

Audit Committee Checklist						
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	As Needed
1.	Meet 4 times per year or more frequently as circumstances require. Each meeting must include time for an executive session of the committee. The committee may invite members of management or others to attend parts of the meeting as necessary.	X	X	X	X	X
2.	Prepare written agenda in consultation between the committee chair, management and the independent auditors.	X	X	X	X	X
3.	Provide open communications between the independent auditors, management and the board. Report committee actions to the board as the committee deems appropriate.					X
4.	Confirm the independence of all committee members based on Nasdaq and other applicable rules.				X	
5.	Verify the committee consists of a minimum of 2 members who are financially literate.				X	
6.	Review and update audit committee checklist annually.				X	
7.	Include copy of the committee charter as an appendix to the proxy statement at least once every 3 years.					X
8.	Appoint, approve the compensation of, and provide oversight of the independent auditor.	X	X	X	X	
9.	Confirm annually the independence of the independent auditor.	X				
10.	Quarterly review non-audit services provided by the independent auditor.	X	X	X	X	
11.	Inquire of management and the independent auditor of significant risks or exposures and assess steps management has taken to minimize such risk to the company.					X
12.	Consider and review with the independent auditor:					
	a. Adequacy of the company's internal controls.			X		
	b. Any related significant findings and recommendations of the independent auditor together with management's responses.			X		

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		Qtr 1	Qtr 2	Qtr 3	Qtr 4	As Needed
13.	Review with the independent auditor and management any significant changes to GAAP policies or standards.			X		
14.	Review with the independent auditors and management at the completion of the annual audit:					
	a. The financial statements and accompanying notes.	X				
	b. The auditors' report.	X				
	c. Any significant changes required in the audit plan.	X				
	d. Any difficulties or disputes between the auditors and management encountered during the course of the audit.	X				
	e. Other matters related to the conduct of the audit which are communicated to the committee under generally accepted accounting standards.	X				
15.	Review with management and the auditors the company's critical accounting policies.	X				X
16.	Review policies and procedures with respect to transactions between the company and its officers, directors and affiliates that are not a normal part of the company's business.				X	
17.	Review with management and the auditors:					
	a. Any significant findings by auditors and management's responses thereto.					X
	b. Any difficulties encountered in the course of audits, including any restrictions on the scope of their work or access to required information.					X
	c. Any changes required in planned scope of their audit.					X
18.	Review periodic reports of the company with management and the auditors prior to filing with the SEC.	X	X	X	X	X
19.	In connection with the review of periodic reports, review management's disclosure to the committee of any deficiencies in disclosure controls or internal controls under Section 302 of the Sarbanes-Oxley Act.	X	X	X	X	
20.	Monitor as appropriate the standards adopted as a code of conduct for the company.					X
21.	Meet with the auditors in executive session to discuss any matters that the committee or auditor believe should be discussed privately with the audit committee.					X
22.	Meet with management in executive session to discuss any matters that the committee or auditor believe should be discussed privately with the audit committee.					X
23.	Review and make recommendations to the board of directors concerning any matters reported to the committee by the company's legal counsel concerning material violations of securities law or breaches of fiduciary duty by the company, its officers, directors or					X

Audit Committee Checklist

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	As Needed
employees.					
24. Provide for receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls or auditing matters, including providing for confidential and anonymous submissions by employees of the issuer to the chairman of the committee regarding questionable accounting or auditing matters.					X