

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors has adopted the following guidelines to promote the effective governance of the Company. These guidelines are intended to serve as a flexible framework within which the Board may conduct its business, and the Board may deviate from these guidelines from time to time. The Board will also review and amend these guidelines as it deems necessary or appropriate.

On behalf of the Company's shareholders, the Board is responsible for overseeing the management of the business and affairs of the Company. The Board acts as the ultimate decision-making body of the Company, except on those matters reserved to or shared with the shareholders of the Company under the laws of Maryland.

1. Director Qualifications

In choosing directors, the Company seeks individuals who have personal and family ownership stakes in the Company's stock and other attractive qualities. Such individuals must also have very high integrity, business savvy, shareholder orientation and a genuine interest in the Company. The Company is required to elect a majority of directors who are independent. All references to "independent directors" in these guidelines are to directors who are independent according to the criteria for independence established by the American Stock Exchange Company Guide. The Board does not have limits on the number of terms a director may serve. The Board does not have any retirement or tenure policies that would limit the ability of a director to be nominated for reelection. The Governance, Compensation and Nominating Committee is responsible for nominating directors for election or reelection.

2. Board Size and Committees

The number of directors on the Board may be as few as three and as many as 15. Pursuant to the By-Laws of the Company, the Board has the authority to change its size, and the Board will periodically review its size as appropriate. The Board currently has three regular committees: (i) Audit; (ii) Governance, Compensation and Nominating; and (iii) Executive. The Audit and Governance, Compensation and Nominating Committees each consist solely of independent directors. The Board may, from time to time, establish and maintain additional or different committees, as it deems necessary or appropriate.

3. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders, and to conduct themselves in accordance with their duties of care and loyalty. Directors are expected to attend Board meetings and meetings of the committees on which they serve, and to spend the time needed to carry out their responsibilities as directors, including meeting as frequently as

necessary to properly discharge those responsibilities. Directors are also expected to review in advance all materials for the meetings of the Board and the Committee(s) on which they serve.

4. Director Access to Management and Advisors

Each director has full and free access to the officers and employees of the Company and its subsidiaries. The Board and each of its Committees has the authority to hire independent legal, financial or other advisors as it may deem to be necessary without consulting or obtaining the advance approval of any officer of the Company.

5. Board Meetings

The Chairman of the Board is responsible for establishing the agenda for each Board meeting. Each director is free to suggest items for inclusion on the agenda and to raise at any Board meeting subjects that are not on the agenda for that meeting. At least once a year, the Board reviews the Company's long-term plans and the principal issues that the Company will face in the future.

6. Executive Sessions

The independent directors meet in a separate executive session consisting solely of independent directors at least once a year. The presiding director at each executive session is chosen by the directors present at that meeting.

7. Director Compensation

Only directors who are neither an employee of the Company or a subsidiary nor a spouse of an employee receive compensation for serving on the Board. Director fees are structured to emphasize meeting attendance by per meeting payments and the Company stock by including rewards under the Company's Incentive Compensation Plan. Changes in the form and amount of director compensation are determined by the full Board, taking into consideration the Company's policy that the fees should not be material to the financial well-being of any director serving the Company. The Board reviews any amounts that a director might receive directly or indirectly from the Company, as well as any charitable contributions the Company may make to organizations with which a director is affiliated, in determining whether a director is independent. The Company does not purchase directors and officers liability insurance for its directors or officers.

8. Orientation and Continuing Education

All new directors receive an orientation from the Chief Executive Officer and are expected to maintain the necessary level of expertise to perform his or her responsibilities as a

director. The Company provides directors with orientation and continuing education programs from time to time.

9. Management Succession

Assuring that the Company has the appropriate successor to the current Chief Executive Officer in the event of his death or disability is one of the Board's primary responsibilities. The Company does not anticipate that the Chief Executive Officer will retire other than due to disability. The Chief Executive Officer reports annually to the Board on executive management succession planning and makes available, on a continuing basis, his recommendation on succession in the event he were disabled. The Board and the committees of independent directors regularly review succession planning and the strengths and weaknesses of certain individuals currently employed by the Company who could succeed the Chief Executive Officer in the event of his death or disability.

The Governance, Compensation and Nominating Committee is responsible for evaluation of the performance of the Company's Chief Executive Officer and setting his compensation.

10. Annual Performance Evaluation

The Governance, Compensation and Nominating Committee conducts an annual evaluation to determine whether the Board and its committees are functioning effectively and reports its conclusions to the Board. Each of the Audit Committee and the Governance, Compensation and Nominating Committee separately conducts an annual evaluation of its performance relative to the requirements of its Charter and reports its conclusions to the Board. The Board annually conducts a self-evaluation of its performance based in part on the reports of these two Committees.

11. Public Disclosure of Corporate Governance Policies

The Company posts on its website copies of the current version of these guidelines, the Company's Code of Business Conduct and Ethics and the charters of the Audit Committee and the Governance, Compensation and Nominating Committee of the Board, and discloses in its annual report that such information is available on its website or in print to any shareholder that requests it.

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