

USA BANK AUDIT COMMITTEE CHARTER

I. Purpose

The Audit Committee of USA Bank (the “Company”) is established by the Board of Directors of the Company (the “Board”) for the primary purpose of assisting the Board in:

1. overseeing the integrity of the Company’s financial statements,
2. overseeing the Company’s compliance with legal and regulatory requirements,
3. selecting and overseeing the independent auditors’ qualifications and independence,
4. overseeing the performance of the Company’s internal audit function and independent auditors,
5. overseeing the Company’s system of disclosure controls and internal controls regarding finance, accounting, legal, compliance, and ethics that management and the Board have established, and;
6. preparing an audit committee report as required by the Securities and Exchange Commission or other appropriate bank regulatory agency (the “Commission”) to be included in the Company’s annual proxy statement.

Consistent with this function, the Audit Committee encourages continuous improvement of, and fosters adherence to, the Company’s policies, procedures and practices throughout the organization. The Audit Committee provides an open avenue of communication among the Audit Committee, the independent auditors, senior management, the internal audit function, and the Board of Directors, and also provides for employee communication as appropriate.

II. Organization, Membership, and Qualifications

1. The Company will maintain a qualified Audit Committee. The Audit Committee shall be comprised of three or more Directors, each of whom shall be independent Directors (as defined by the applicable rules and regulations of the Commission, the American Stock Exchange (“AMEX”) and other applicable regulatory agencies), and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

2. The qualifications and independence of Committee members will be reviewed annually by the Board of Directors.
3. The Chairman of the Audit Committee and the members of the Audit Committee shall be elected by a majority vote of the Board of Directors on an annual basis within 90 days after the end of the Company's fiscal year.
4. All members of the Committee shall be financially literate and at least one member of the Committee must qualify as an "audit committee financial expert" in compliance with the criteria established by the Commission. The existence of an audit committee financial expert, including his or her name and whether or not he or she is independent, shall be disclosed in periodic filings as and when required by the Commission. If the Company does not have an audit committee financial expert, this will be explained and disclosed in periodic filings as required by the Commission.
5. Vacancies on the Committee shall be filled at the next meeting of the Board based on the recommendation of the Nominating/Corporate Governance Committee and by a majority vote of the Board at the next meeting of the Board following the occurrence of a vacancy.
6. New Committee members will attend an orientation program to review audit committee responsibilities and duties and existing members are encouraged to participate in educational programs conducted by the Company or outside consultants.
7. No member of the Audit Committee may serve on the audit committee of more than two other public companies. If a member of the Audit Committee wishes to serve on the audit committee of another public company, the Board must approve such additional service before the Director may accept the additional audit committee position. The Board shall have the sole discretion to permit or deny such additional service, which shall not be unreasonably withheld.
8. The Board shall make any final decisions with respect to Committee structure or membership.

III. Meetings

1. The Chairperson of the Committee will preside at each meeting and in consultation with other members of the Committee, set the frequency and length of each meeting and the agenda of the items to be addressed at each meeting.
2. The Chairperson shall ensure that the agenda for each meeting is circulated to each committee member and attendee in advance of the meeting.

3. The Chairperson shall direct that the minutes of all meetings and other relevant records will be maintained and distributed to the Committee members.
4. The Committee may request any officer or employee of the Company, outside counsel of the Company, the independent auditors or any special counsel or advisors to attend a Committee meeting. Members of management may also submit a request to present items to the Committee.
5. The Committee shall report regularly to the full Board after each committee meeting and with respect to such other matters as deemed appropriate by the Committee.
6. The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Notwithstanding other matters, the Committee or the committee's delegate will meet with management and the independent auditors prior to the issuance of financial earnings releases and prior to the filing of Reports on Form 10-Q and Form 10-K with the Commission.
7. A majority of the number of Committee members shall constitute a quorum. Committee members may participate in, or conduct, a meeting of the Committee through the use of any means of communication by which all Committee members participating can hear each other during the meeting and participation by such means shall constitute presence at the meeting.
8. At least quarterly, the Committee will meet in separate executive sessions with the independent auditors and/or the internal auditors.
9. The Audit Committee is to meet in separate executive sessions with the chief executive officer, chief financial officer, chief lending officer and head of deposit operations and at other times with other members of management as it deems necessary. The Audit Committee can seek any information it requires from employees and other directors of the organization, all of whom are directed to cooperate with the committee's requests or requests of third parties acting on behalf of the committee.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties the Audit Committee will:

A. General

1. Report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements. Also, report such matters immediately to the C.E.O. and C.F.O. of the Company. Management is responsible for

the preparation, presentation and integrity of the Company's consolidated financial statements, including adequate and timely disclosure. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies, as well as internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations, and disclosure controls and procedures to ensure appropriate and timely disclosure in public reports.

2. Review and report to the Board regularly on the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, and the performance of the Company's internal audit function.

3. Review and assess the adequacy of this written Charter annually and recommend changes to the Board as necessary.

4. Review and discuss with management and the independent auditors, the Company's annual financial statements, quarterly financial statements (including the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations), and all internal control reports or summaries thereof. Review other relevant reports or financial information to be submitted by the Company to any governmental body, or the public, including management certifications as required by the Sarbanes-Oxley Act of 2002 (Sections 302 and 906) and relevant reports rendered by the Company's independent auditors.

5. Approve financial earnings press releases, after having performed a review with management and having had the required discussions with the independent auditors. These reviews and discussions will focus on the type and presentation of information to be included in the financial earnings press release, paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information.

6. Recommend to the Board whether the annual financial statements should be included in the Annual Report on Form 10-K that is to be filed with the Commission.

7. Review with financial management and the independent auditors the Quarterly Reports on Form 10-Q and Annual Report on Form 10-K. Approve each Quarterly Report on Form 10-Q and Annual Report on 10-K and recommend to the Board whether such reports should be filed with the Commission.

8. Review and discuss with management financial information and

earnings guidance provided to analysts and rating agencies. Discussions may be on general terms, such as the types of information to be disclosed and the type of presentation to be made.

9. In consultation with the independent auditors and internal auditors, review the integrity of the Company's internal and external financial reporting processes, and the internal control structure, including disclosure controls and procedures.

10. Review with management and the independent auditors the content and basis for reports issued that relate to internal controls over financial reporting, including safeguarding of assets, as required under the Federal Deposit Insurance Corporation Improvement Act of 1991.

11. Review with management and the independent auditors major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies. Review compliance with and reports issued under Section 404 of the Sarbanes Oxley Act as required by applicable rules and regulations.

12. Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

13. Review with management, the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures, on the financial statements of the Company.

14. Establish and maintain procedures for the receipt, retention, and treatment of complaints received by the Company regarding public reporting, accounting, internal accounting controls or auditing matters. Report such matters immediately to the C.E.O. or the board as the committee deems appropriate.

15. Establish and maintain procedures for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters, and any other matters that present a significant risk to the Company. Report such matters immediately to the C.E.O. or the Board as the committee deems appropriate.

16. Review with the independent auditors, the internal auditors and

management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented.

17. Oversee and monitor management's efforts to correct deficiencies noted in periodic audits and examinations.

18. Prepare the Audit Committee Report as required by the Commission to be included in the Company's annual proxy statement.

19. As applicable for subsidiaries of the Company, fulfill the requirements of Section 122 and 123 of the New York State Banking Department Law with respect to conducting an annual Directors' examination.

20. Perform an annual self-assessment relative to the Audit Committee's purpose, duties and responsibilities outlined herein.

21. Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as the Audit Committee or the Board deems necessary or appropriate.

B. Independent Auditors

1. Appoint, cause the bank to compensate, retain and oversee the work performed by the independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Review the performance of the independent auditors and remove the independent auditors if circumstances warrant. The independent auditors of the Company are ultimately accountable to the Audit Committee, and the Audit Committee has the ultimate authority and responsibility to select, evaluate and, when appropriate, replace the independent auditors. The independent auditors shall report directly to the Audit Committee, and the Audit Committee shall oversee the resolution of disagreements between management and the independent auditors in the event that they arise.

2. At least annually, obtain and review a report (the "Auditor's Report") by the independent auditor describing: the firm's internal quality control procedures; any material issues raised by the most recent internal quality control review or peer review of the 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 firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence)

all relationships between the independent auditors and the Company.

3. At least annually evaluate the independent auditors' qualifications, performance and independence, including the review and evaluation of the lead partner of the independent auditor, based on the Audit Committee's review of the Auditor's Report and the independent auditors' work throughout the year and taking into account the opinions of management and the Company's internal auditors, The Audit Committee shall present its conclusions with respect to the independent auditors to the Board.

4. Review with the independent auditors the proposed scope of services and plan for the annual audit.

5. The independent auditors are responsible for planning and performing their audit of the financial statements of the Company in accordance with auditing standards generally accepted in the United States of America, for performing an examination of management's assertions regarding the effectiveness of internal control over financial reporting in accordance with attestation standards established by the AICPA or PCAOB and for performing quarterly reviews in accordance with standards for such reviews promulgated by the AICPA or PCOAB.

6. Regularly review with the independent auditors the communications required under Generally Accepted Auditing Standards; any problems or difficulties encountered in the course of the audit work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management, and management's response; and hold timely discussions with the independent auditors regarding the following:

- i. all critical accounting policies and practices;
- ii. any accounting adjustments that were noted or proposed by the independent auditors but were "passed" (as immaterial or otherwise);
- iii. all alternative treatments of financial information within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, including: ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;

iv. other material written communications between the independent auditors and management;

v. a review of the auditor's judgment as to the quality of the Company's accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements;

vi. at least annually, obtain and review a report by the independent auditors describing all relationships between the independent auditors and the Company, addressing the matters set forth in the Securities Acts administered by the Commission and Independence Standards Board Standard No. I (as modified or supplemented);

vii. any instances whereby officers, Directors and persons acting under their direction have coerced, manipulated, mislead or fraudulently influenced (collectively referred to herein as "improperly influenced") the independent auditor when the officer, director or other person knew or should have known that the action, if successful, could result in rendering the Company's financial statements materially misleading;

viii. any communications between the independent auditors engagement team and the firm's national office regarding auditing or accounting issues related to the Company; and

ix. the responsibilities, budget and staffing of the Company's internal audit function.

7. Review and pre-approve both audit and permitted non-audit services to be provided by the independent auditors. The Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent auditors. Prior to the engagement of the independent auditors for the next year's audit, management will submit an aggregate of services expected to be rendered during that year for each of the four categories of services (audit, audit-related, tax and other) to the Audit Committee for approval. Unless a type of service to be provided by the independent auditors has received general pre-approval as outlined above, it will require specific pre-approval by the Audit Committee. The Audit Committee may delegate pre-approval authority to one or more of its members, with such member reporting any pre-approval decisions at the next scheduled Audit Committee meeting.

8. Though ultimate responsibility for partner compensation programs and executing partner rotation requirements rests with the independent auditors,

the Committee will review compliance with these requirements as promulgated by applicable rules and regulations. The Audit Committee will assure the regular rotation of the lead audit partner as required by law (or at least every seven years) and further consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm itself. Rotations of the independent auditing firm will also be reviewed as required by law or as otherwise appropriate.

9. The Committee will set clear hiring policies for employees or former employees of the independent auditors, including prohibiting management from hiring as a manager an individual responsible for overseeing financial reporting matters of the Company, any person who was employed by the independent auditors and was the lead partner, concurring partner, or any other member of the audit engagement team who provided more than ten hours of audit, review or attest services for the Company within the one-year period preceding the commencement of the audit of the current year's financial statements.

C. Internal Audit

1. Review and advise on the selection and removal of the Internal Auditors and the annual performance evaluation of the Internal Auditors,
2. Review the organizational structure, qualifications, staffing and budgeting of the internal audit function, including a discussion of these internal audit items with the independent auditors.
3. Ascertain whether or not the internal auditors are in compliance with The Institute of Internal Auditors' Standards for Professional Practice of Internal Auditing.
4. Review and approve the annual Internal Audit Plan. All internal audit reports are issued to the Chairman of the Audit Committee with copies provided to senior management. On a quarterly basis receive from the Internal Auditor:
 - i. a description of the progress against this plan;
 - ii. a summary of internal audit activities and significant reports, including Loan Review Function matters;
 - iii. a description of any significant deficiencies in the system of internal controls;

iv. a summary of any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the internal audit function's work; and

v. a report of any significant unresolved issues.

5. The Audit Committee (while the bank is using an external firm to function as its internal auditor) will consider on a periodic basis whether or not there should be a rotation of the internal audit partner or the firm itself.

6. Consider the effectiveness of the company's internal control system, including information technology.

D. Ethical Compliance, Legal Compliance, and Risk Management

1. Review the Company's written Business Code of Ethics and the Company's written Code of Ethics Applicable to Financial Officers and the Chief Executive Officer and ascertain that they are in compliance with all applicable rules and regulations. Ascertain that management has established a system to monitor compliance with these Codes of Ethics, including the receipt of a report each year from the Company's General Counsel.?

2. Ascertain that management has a proper review system in place to ensure that the Company's financial statements, reports and other financial information is in compliance with applicable laws and regulations.

3. Review periodic reports prepared by the Compliance Officer regarding the Company's program for complying with laws and regulations.

4. Review with the Company's General Counsel, legal compliance matters including corporate securities trading policies.

5. Review with the Company's General Counsel, legal matters that could have a significant impact on the organization's financial statements.

6. Discuss policies with respect to risk assessment and risk management. Such discussions should include the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The Audit Committee shall discuss risk assessment and risk management guidelines and policies

to govern the process by which risk assessment and risk management is undertaken.

7. Institute and oversee special investigations as needed.

V. Resources

The Audit Committee has the authority to obtain advice and assistance from and engage independent counsel, accountants, or other advisors as deemed appropriate to perform its duties and responsibilities, The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditors and to any advisors that the Audit Committee chooses to engage. The Audit Committee has ultimate authority to approve all audit engagement fees and terms. In addition, the Company shall provide appropriate funding, as determined by the Audit Committee, for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

VI. Disclosure

This Charter will be made available on the Company's website.
Last updated and approved by the Audit Committee: July 24, 2008
Ratified by the Board of Directors: July 24, 2008