

**COMMUNITY VALLEY BANCORP
CHARTER OF THE
COMPENSATION COMMITTEE**

Purpose

The Compensation Committee is appointed by the Board of Directors to assist the Board with its duties and responsibilities relating to the compensation of the Company's executive officers and directors and the general administration of the Company's employee benefit plans and stock incentive plans.

Membership

The Committee will be composed of at least three (3) directors, all of whom must satisfy the "independence" requirement of the NASD corporate governance listing standards. The Board of Directors is responsible for appointing and re-nominating for election all members of the Committee. The Board of Directors may appoint a Chairperson of the Committee. In the event the Board of Directors does not make such an appointment or the designated Chairperson is no longer on the Committee and no replacement has been appointed, the members may elect a Chairperson.

Meetings

The Compensation Committee will meet no less than once each year to review and establish the Company's Compensation Policy for the executive officers and directors of the Company and at such other times as the Committee Chairperson may deem necessary to effectively perform the Committee's duties and responsibilities. All committee members are expected to attend each meeting, in person or via tele- or video-conference. Attendance via tele- or video-conference carries the same rights and responsibilities as attending a meeting in person. Meetings may be called in the same fashion as provided in the Bylaws regarding meetings of directors.

Committee Duties and Responsibilities

1. Review annually with the Chief Executive Officer the job performance of all other executive officers and recommend to the full Board of Directors a compensation plan for key executives including salaries, bonus plans, equity incentive grants, and other benefits.
2. At least annually the Committee will review and approve the Company's goals and objectives relative to CEO and CFO-COO compensation. The Committee will evaluate the CEO's and CFO-COO's performance in light of such established criteria and any other criteria the Committee deems necessary and appropriate; and, based on such evaluation, establish the compensation level of the CEO and CFO-COO, including any long term components of such compensation. The Committee will recommend a compensation package for the CEO and CFO-COO to the full Board for approval.
3. Periodically review and recommend to the Board of Directors, exempt employee salary ranges, merit increase guidelines, and exceptions and changes thereto.
4. Periodically review and recommend to the Board of Directors the compensation of Board members.
5. Unless the Board of Directors or the specific plans designate otherwise, the Committee will serve as the administrator of all employee benefit plans and equity compensation plans adopted by the Company.
6. Consider and award special bonuses to key executives and employees and submit such proposed bonuses to the full Board for approval.
7. Review and recommend to the Board of Directors general corporate benefit plans –

- pension, profit sharing, stock purchase plans or incentive plans, and other major programs and any significant changes.
8. Approve, on behalf of the Board, significant exceptions to established benefit plans upon recommendation of the Chief Executive Officer.
 9. Prepare the Compensation Committee Report for enclosure in the Company's Proxy Statement as required by the regulations of the SEC under the Securities Exchange Act of 1934.
 10. Annually evaluate the performance of the Committee and review and assess the adequacy of the charter and make recommendations of necessary changes to the charter to the Board of Directors for approval.
 11. The Committee will have the sole authority to retain and terminate outside compensation consultants and other advisors and counselors as the Committee deems necessary and appropriate, including approving all fees and other retention terms. The Company will provide adequate funding for such purpose as determined by the Committee.
 12. The committee may from time to time assign duties to a sub committee consisting of one or more independent directors provided that said sub committee presents its findings and recommendations to the full committee for its action.
 13. Prepare minutes of the meetings and provide a copy to all members of the Committee, the Board of Directors and the Secretary of the Corporation; and submit such minutes to the full Board for ratification at the next meeting of the Board of Directors following said Compensation Committee meeting.
 14. Undertake other special assignments as may from time to time be assigned by the Chief Executive Officer or the full Board.

Reports to the Full Board of Directors

The Chairperson shall report to the full Board of Directors a summary of the Committee's activities and shall submit or refer to the full Board any matter that the Committee believes warrants the attention of the full Board of Directors.