

To approve a Non-employee Directors Deferred Compensation Plan which permits outside directors to defer receipt, and therefore recognition as income for federal income tax purposes, of 100% of all fees which would otherwise be paid to such director by the corporation for services on the Board and committees thereof. Participants may elect to have the deferred amounts invested 100% in shares of Common Stock (“Share Election”) or to accumulate and earn interest at a floating rate equal to the prime rate of a major bank. If a Share Election is made, the Participant Account will be credited with 110% of the compensation otherwise payable to the participant. Participant Accounts consisting of shares will also be credited for dividends on the Common Stock in an amount equal to the dividends attributable to the number of shares held in the Participant Account (with a copy of the Outside Directors Deferred Compensation Plan)

3. ADOPTION OF NON-EMPLOYEE DIRECTORS DEFERRED COMPENSATION PLAN

The Board of Directors has adopted a resolution recommending that shareholders consider and approve at the Annual Meeting a proposal to approve the adoption of the Non-Employee Directors Deferred Compensation Plan (“the Plan”). The Plan permits non-employee directors of the Company (“Participants”) to defer the receipt of fees in stock or cash which would otherwise be paid to the director for services on the Board and its Committees. The Company currently has 15 non-employee directors who are eligible to participate in the Plan. The Plan reserves 70,000 shares of Common Stock of the Company for issuance in connection with any stock deferrals under the Plan. The full text of the Plan is included as Appendix A to the Proxy Statement, and the following description of the material terms of the Plan is qualified in its entirety by reference to the full text of the Plan.

Fees paid to non-employee directors are not being changed. The Plan requires Participants to defer 100% of their fees if they make a deferral election. Participants may elect to have the deferred amounts invested 100% in shares of the Common Stock of the Company (a “Share Election”) or to accumulate and earn interest (a “Cash Election”). In order to comply with the rules promulgated under Section 16(b) of the Exchange Act, no Share Election will be effective until six months after the date of the Share Election, with the result that during such six-month period, the Participants will be deemed to have made a Cash Election. Once an election has been made, it will remain in effect with respect to all future amounts which would otherwise be paid to the Participant as a director until changed by the filing of a new election in accordance with the terms of the Plan.

Amounts deferred pursuant to a Cash Election will earn interest at a floating rate equal to the announced prime rate of Mid-America Bank of Louisville & Trust Company, compounded annually. To encourage Participants to purchase shares of the Common Stock of the Company, if a Share Election is made, the Participant Account will be credited with 110% of the compensation otherwise payable to the Participant. Participant Accounts consisting of shares will also be credited as of the payment date for dividends on the Common Stock in an amount equal to the dividends attributable to the number of shares held in the Participant Account.

Payments of Participant Account balances will be made on the earliest to occur of (i) 60 days after the date the Participant ceases to be a director, (ii) 60 days following a Change in Control of the Company, or (iii) the date selected by the Participant at the time of electing to participate in the Plan. The right to receive payments under the Plan is not assignable or transferable except by will or the laws of descent and distribution.

Under current tax laws, no income will be recognized by a Participant at the time of the deferral. Upon payment, the Participant will recognize ordinary income in an amount equal to the sum of the cash and the fair market value of the shares received. (The date of the share valuation may be affected by Section 16(b) of the Exchange Act.) The Company will be entitled to a deduction equal to the income recognized by the Participant.

The affirmative vote of a majority of shares of the Common Stock cast at the Annual Meeting on this proposal is required for the approval of the Plan.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR APPROVAL OF THE PLAN.

4. INCREASE IN AUTHORIZED NUMBER OF SHARES OF COMMON STOCK

The Board of Directors has adopted a resolution recommending that the shareholders consider and approve at the Annual Meeting a proposal (the “Second Proposed Amendment”) to amend Article *W* of the Articles of Incorporation of the Company to read, in pertinent part, as follows:

ARTICLE IV

The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 12,750,000 shares which shall be divided into two classes as follows:

12,000,000 shares of Common Stock, having no par value per share; and

750,000 shares of Preferred Stock, having no par value per share.

The Second Proposed Amendment will increase by 2,000,000 the number of authorized shares of the Company’s Common Stock. Article IV in all other respects will remain unchanged. The Board of Directors believes it is advisable to have additional shares of Common Stock available for future acquisitions, equity financing requirements, payments of stock dividends or other stock distributions, employee stock incentive programs or other general corporate purposes. Depending upon the nature and terms of the transactions in which any additional shares are issued, the issuance may involve dilution of the equity interests and voting power of existing stockholders. Although the Board of Directors has no reason to believe that a takeover of the Company is likely to occur, increasing the number of authorized shares of Common Stock may provide the Company with the means of discouraging any such attempt. Management has no present intention to use the proposed additional shares as an anti-takeover device. Except for employee stock options and existing plans providing for the issuance of stock, the Company has no present plans, arrangements or understandings which would require the issuance of any shares of Common Stock.

The Board of Directors believes that the additional authorized Common Stock will give the Company greater flexibility by allowing the Company to issue shares of Common Stock without the expense or delay of obtaining shareholder approval when additional shares are needed. Further shareholder authorization would not be necessary prior to any such issuance, except for certain situations where shareholder approval may be required under the rules of the American Stock Exchange or <State> law.

The affirmative vote of a majority of shares of the Common Stock of the Company cast at the Annual Meeting on this proposal is required to approve the Second Proposed Amendment.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR APPROVAL OF THE SECOND PROPOSED AMENDMENT.

APPENDIX A

<COMPANY>

NON-EMPLOYEE DIRECTORS DEFERRED COMPENSATION PLAN

ARTICLE I

Purposes

1.1 Purposes. The purposes of this Non-Employee Directors Deferred Compensation Plan (“Plan”) of <Company>, a <State> corporation (“Company”), are to encourage the Company’s non-employee directors to invest in the future of the Company through ownership of an interest in the Company and to provide flexibility to the Company in attracting and retaining directors.

ARTICLE 2

Eligibility and Participation

2.1 Eligibility. Any director of the Company who is not an employee of the Company or a subsidiary of the Company (“Director”) is eligible to participate in the Plan.

2.2 Participation. A Director shall become a participant in the Plan (“Participant”) by filing an Election Form in accordance with the provisions of Section 5.1.a. A Participant shall remain a Participant until such time as the Participant has received all payments to which the Participant is entitled under the terms of the Plan.

ARTICLE 3

Shares Subject to Plan

3.1 Number of Shares. Subject to adjustment as provided in Section 3.2, the number of shares of the Company’s common stock (“Common Stock”), reserved for issuance under the Plan is 70,000 shares. Any Common Stock issued under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares.

3.2 Adjustments. In the event of a merger, reorganization, consolidation, recapitalization, reclassification, split-up, spin-off, separation, liquidation, stock dividend, stock split, reverse stock split, share combination, share exchange or other change in the corporate structure of the Company affecting the Common Stock, the Committee (as hereinafter defined) shall substitute or adjust the total number and class of stock or securities which may be issued under the Plan and which are credited to a Participant’s Deferred Stock Account as it determines to be appropriate and equitable to prevent dilution or enlargement of the rights of Participants.

ARTICLE 4

Administration

4.1 The Committee. The Plan shall be administered by the Planning & Management Committee of the Board of Directors of the Company (“Board ~”), or by any other committee (“Committee”) appointed by the Board consisting of two or more directors of the Company who are “disinterested persons” within the

meaning of Rule 16b-3 (or any successor provision) promulgated under the Securities Exchange Act of 1934, as amended (“Exchange Act”).

4.2 Authority of the Committee. The Committee shall have sole discretion to make all determinations which may be necessary or advisable for the administration of the Plan. To the extent permitted by law and Rule 16b-3 promulgated under the Exchange Act, the Committee may delegate its authority as identified hereunder. All determinations and decisions made by the Committee pursuant to the provisions of the Plan, and all related orders or resolutions of the Board, shall be final, conclusive and binding upon all persons, including the Company, Participants and their estates and beneficiaries.

4.3 Section 16 Compliance. It is the intention of the Company that the Plan and the administration of the Plan comply in all respects with Section 16(b) of the Exchange Act and the rules and regulations promulgated thereunder. If any Plan provision, or any aspect of the administration of the Plan, is found not to be in compliance with Section 16(b) of the Exchange Act, the provision or administration shall be deemed null and void, and in all events the Plan shall be construed in favor of its meeting the requirements of Rule 16b-3 promulgated under the Exchange Act.

ARTICLE 5

Deferral Election

5.1 Making of Election.

a. Each Director may elect in writing, in the manner and on the form (“Election Form”) prescribed by the Committee, to defer payment of all, but not less than all, of the fees which would otherwise be paid to such Director by the Company for services on the Board and committees thereof. An election shall be effective with respect to amounts which would otherwise be paid to the Participant beginning on or after the first day of the calendar quarter following the making of the election: provided, however, that in the case of those persons who are Directors on the date hereof, the initial election shall become effective as of <Date>. Once an election has been made, it shall remain in effect with respect to all future amounts which would otherwise be paid to the Participant as a Director until changed by the filing of a new election in the manner provided in Section Sib.

b. In the case of those persons who are Directors on the date hereof, the initial election, if any, to participate in the Plan shall be made by <Date>. In the case of Directors elected or reelected at an annual meeting of the Company, an election or change in an existing election may only be made within 30 days following the annual meeting. In the case of a Director elected at other than an annual meeting, the initial election to participate in the Plan may only be made within 30 days following the Director’s election to the Board. At the time of making any such election or change in an existing election, the Participant shall further elect, in accordance with procedures adopted by the Committee, (i) to have either 100% or 50% of the amount of such deferred fees be deemed invested in Common Stock (“Share Election”), or (ii) to have either 100% or 50% of such deferred fees deemed invested with interest (“Cash Election”); provided, however, that in no event shall a Share Election be effective until six months after the date of the Share Election, with the result that during such six-month period, the Participant shall be deemed to have made a Cash Election.

5.2 Participant Account. A Participant Account shall be established for each Participant. Deferred compensation will be credited to the Participant’s Participant Account as of the date such compensation would otherwise be payable to the Participant. A Participant Account shall include a Deferred Cash Account, if a Cash Election has been made, and/or a Deferred Stock Account, if a Share Election has been made.

5.3 Deferred Cash Account. Each Deferred Cash Account shall be credited with the amounts deferred on behalf of a Participant plus annual interest thereon as provided in Section 7,1.

5.4 Deferred Stock Account. Each Deferred Stock Account shall be credited with 110% of the amounts deferred to the Deferred Stock Account on behalf of a Participant. Deferred Stock Accounts shall also be credited as of the payment date for dividends on Common Stock in an amount equal to the dividends attributable to the

number of shares of Common Stock credited to the Participant's Deferred Stock Account as of the record date set by the Board for the payment of dividends (the amounts referred to in the first two sentences of this Section 5.4 are hereinafter referred to as the "Cash Credits"). As of the last day of March, June, September and December of each year, there shall be credited to a Participant's Deferred Stock Account a number of shares of Common Stock equal to that whole number obtained by dividing (i) the amount of Cash Credits in the Deferred Stock Account as of such date, by (ii) the fair market value of the Common Stock (determined as provided in Section 6.1) on such date. Any amount of the Deferred Stock Account in excess of the number of shares of Common Stock credited to the Deferred Stock Account shall be treated as a Cash Credit and held in the Deferred Stock Account until the end of the following quarterly crediting date.

ARTICLE 6

Fair Market Value

6.1 **Fair Market Value.** For purposes of this Plan, the fair market value of the Common Stock on any date shall be (i) if the Common Stock is listed on a national or regional exchange, or on the NASDAQ National Market System or a comparable market, the closing price of the Common Stock on such date, or (ii) if (i) above does not apply, the value determined by the Committee.

ARTICLE 7

Interest

7.1 **Interest on Deferred Cash Account.** Interest will be credited to each Deferred Cash Account at the announced prime rate of Bank of Louisville as the same shall exist from time to time, changing with each change in such announced prime rate. This assumed interest shall be compounded annually and treated as earned from the date deferred compensation is credited to the Deferred Cash Account to the date of withdrawal.

ARTICLE 8

Payment of Deferred Amounts

8.1 **Limitation on Payment of Deferred Amounts.** No payment may be made from any Participant Account except as provided in this Article 8.

8.2 **Time for Payment of Deferred Amounts.**

a. Payment of the amount in a Participant Account shall be made upon the earlier to occur of (I) 60 days following the date the Participant ceases to be a Director, (H) the date selected by the Participant at the time of making a Cash Election or Share Election (which date may be different for the Cash Election and the Stock Election) or (iii) 60 days following a Change in Control (as defined in Section 8.2.b). Payment shall be made in the form of a lump sum, with payment from a Deferred Cash Account made in cash, and payment from a Deferred Stock Account made in Common Stock (except for any Cash Credits remaining in the Participant's Deferred Stock Account, which shall be paid in cash).

b. For purposes of the Plan, a Change in Control shall occur upon (i) the acquisition by any person after the date hereof of beneficial ownership of 50% or more of the voting power of the Company's outstanding voting stock, (ii) five or more of the current members of the Board ceasing to be members of the Board unless any replacement director was elected by a vote of either at least 75% of the remaining directors, or of at least 75% of the shares entitled to vote on such replacement, or (Hi) approval by the stockholders of the Company of (a) a merger or consolidation of the Company with another corporation if the stockholders of the Company immediately before such vote will not, as a result of such merger or consolidation, own more than 50% of the voting stock of the corporation resulting from such merger or consolidation, or (b) a complete liquidation of the Company or sale of all, or substantially all, of the assets of the Company. Notwithstanding the foregoing, a Change in Control shall not occur solely because 50% or more of the voting stock of the Company is acquired by (i) a trust which is part of an employee benefit plan maintained by the Company or its subsidiaries, or (ii) a

corporation which, immediately following such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition.

ARTICLE 9

Miscellaneous

9.1 Assignability. No right to receive payments hereunder shall be transferable or assignable by a Participant except by will or by the laws of descent and distribution.

9.2 Amendment or Termination. The Plan may be amended, modified or terminated by the Board at any time or from time to time. Notwithstanding the foregoing, without the approval of stockholders of the Company (as may be required by Section 16 of the Exchange Act and the rules promulgated thereunder, any national securities exchange or system on which the Common Stock is then listed or reported or a regulatory body having jurisdiction with respect hereto), no such amendment, modification or termination may (i) materially increase the benefits accruing to Participants under the Plan, (ii) materially increase the total number of shares of Common Stock which may be issued under the Plan, except as provided in Section 3.2 or (iii) materially modify the eligibility requirements for participation in the Plan. No amendment, modification or termination shall, without the consent of a Participant, adversely affect such Participant's existing rights under the Plan.

9.3 Future Director Terms. Nothing in the Plan, nor any action taken under the Plan, shall be construed as giving any Participant a right to continue as a Director or require the Company to nominate **or cause the** nomination of a Participant for a future term as a Director.

9.4 Participant's Rights Unsecured. The right of any Participant to receive payment of deferred amounts under the provisions of the Plan shall be an unsecured claim against the general assets of the Company. The maintenance of individual Participant Accounts is for bookkeeping purposes only. The Company is not obligated to acquire or set aside any particular assets for the discharge of its obligations, nor shall any Participant have any property rights in any particular assets held by the Company, whether or not held for the purpose of funding the Company's obligations hereunder.

9.5 Governing Law. To the extent not preempted by Federal law, this Plan shall be governed by, and construed in accordance with, the laws of the Commonwealth of <State> without regard to its conflict of laws rules.

IN WITNESS 'WHEREOF, the Company has caused the Plan to be executed by the Board this ___ day of <Month>, 20__.

<Company>

By: _____
<Name & Title>