

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

BIMINI CAPITAL MANAGEMENT, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
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 - (1) Amount Previously Paid:

 - (2) Form, Schedule or Registration Statement No.:

 - (3) Filing Party:

 - (4) Date Filed:



3305 Flamingo Drive, Vero Beach, Florida, 32963

April 29, 2011

Dear Stockholder,

You are cordially invited to attend the 2011 Annual Meeting of Stockholders of Bimini Capital Management, Inc. to be held at 8:00 a.m., local time, on June 14, 2011, at the office of Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963. We look forward to greeting personally those stockholders that will be able to attend.

The following pages include a formal Notice of Annual Meeting of Stockholders and the Proxy Statement describing the matters expected to be acted upon at the meeting. We urge you to review these materials carefully and to take part in the affairs of the company by voting on the matters described in the Proxy Statement.

Your vote is important. Whether you plan to attend the meeting in person or not, we hope you will grant a proxy to vote your shares as soon as possible. Instructions for voting your shares are on the enclosed proxy card or vote instruction form. This will ensure representation of your shares if you are unable to attend. If you attend the meeting, you may continue to have your shares voted as instructed in the proxy or you may withdraw your proxy at the meeting and vote your shares in person.

Sincerely,

/s/ Robert E. Cauley
Robert E. Cauley
Chairman of the Board and Chief Executive Officer

**BIMINI CAPITAL MANAGEMENT, INC.
3305 Flamingo Drive
Vero Beach, Florida 32963**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON June 14, 2011

To Our Stockholders:

We will hold the 2011 Annual Meeting of Stockholders (the "Annual Meeting") of Bimini Capital Management, Inc., a Maryland corporation (the "Company"), at the office of Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963, on June 14, 2011, at 8:00 a.m., local time, for the following purposes:

1. To elect one Class II director to serve until the 2014 Annual Meeting of Stockholders and until his successor is duly elected and qualified;
2. To consider and act upon a proposal to approve a 2011 Long Term Incentive Compensation Plan;
3. To ratify the selection of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011; and
4. To consider and vote upon such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on April 29, 2011, as the record date for the Annual Meeting. Only holders of record of the Company's Class A Common Stock and Class B Common Stock as of that date are entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement thereof. A list of stockholders entitled to vote at the Annual Meeting will be available at the Annual Meeting.

Admission to the Annual Meeting will be by admission ticket only. If you are a stockholder of record and plan to attend, tear off the admission ticket from the top half of your proxy card and bring it and a photo ID with you so that you may gain admission to the meeting.

If your shares are held through a broker, please contact your broker and request that the broker obtain an admission ticket for you or provide you with evidence of your share ownership, which will gain you admission to the Annual Meeting.

By Order of the Board of Directors,

/s/ Robert E. Cauley
Robert E. Cauley
Chairman of the Board and CEO

Vero Beach, Florida
April 29, 2011

BIMINI CAPITAL MANAGEMENT, INC.
3305 Flamingo Drive
Vero Beach, Florida 32963
(772) 231-1400

PROXY STATEMENT
FOR 2010 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON June 14, 2011

This Proxy Statement is being furnished to the holders of Class A Common Stock and Class B Common Stock of Bimini Capital Management, Inc., a Maryland corporation (the "Company"), in connection with the solicitation by the Company's Board of Directors of proxies to be voted at the 2010 Annual Meeting of Stockholders of the Company (the "Annual Meeting") to be held at the office of Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963, on Tuesday, June 14, 2011, at 8:00 a.m., local time, or at any postponement or adjournment of the meeting, for the purposes set forth in the accompanying Notice of Annual Meeting.

This Proxy Statement and the enclosed proxy card or vote instruction form are being mailed to stockholders on or about May 6, 2011. If the enclosed proxy card or vote instruction form is executed and returned, it nevertheless may be revoked by the stockholder at any time prior to its use by filing with the Secretary of the Company a written revocation or a duly executed proxy bearing a later date or by submitting revised instructions to us by telephone or via the Internet, in accordance with the instructions on the enclosed proxy card or vote instruction form, as to how you would like your shares voted. A stockholder who attends the Annual Meeting in person may revoke his or her proxy at that time and vote in person if so desired.

Admission to the Annual Meeting will be by admission ticket only. If you are a stockholder of record and plan to attend, tear off the admission ticket from the top half of your proxy card and bring it and a photo ID with you so that you may gain admission to the meeting. If your shares are held through a broker, please contact your broker and request that the broker obtain an admission ticket for you or provide you with evidence of your share ownership, which will gain you admission to the Annual Meeting.

Unless revoked or unless contrary instructions are given, each proxy that is properly signed, dated and returned or authorized by telephone or Internet in accordance with the instructions on the enclosed proxy card or vote instruction form prior to the start of the Annual Meeting, will be voted as indicated on the proxy card or via telephone or the Internet and if no indication is made, each such proxy will be deemed to grant authority to vote, as applicable:

Proposal 1: **FOR** the election of the Class II director nominee to serve until the 2014 Annual Meeting of Stockholders and until his successor is duly elected and qualified (the "Class II Director Election Proposal");

Proposal 2: **FOR** the approval of the 2011 Long Term Incentive Compensation Plan;

Proposal 3: **FOR** the ratification of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011 (the "Auditor Proposal"); and

At the discretion of the persons named in the enclosed Proxy Card, on any other matter that may properly come before the Annual Meeting or any adjournment or postponement of the meeting.

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE ELECTION OF THE NOMINEE LISTED UNDER THE CLASS II DIRECTOR ELECTION PROPOSAL, "FOR" THE APPROVAL OF THE 2011 LONG TERM INCENTIVE COMPENSATION PLAN AND "FOR" THE AUDITOR PROPOSAL.

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FREQUENTLY ASKED QUESTIONS

Unless otherwise indicated, all information in this Proxy Statement has been adjusted to give effect to a one-for-ten reverse split of the Company's Class A and Class B Common Stock effective as of March 12, 2010. As a result of the stock split, every ten shares of issued and outstanding Class A and Class B Common Stock became one share of issued and outstanding Class A and Class B Common Stock, respectively.

When and where is the Annual Meeting?

The Annual Meeting will be held at the office of Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963, on Tuesday, June 14, 2011, at 8:00 a.m., local time.

Why am I receiving these proxy materials?

You are receiving these proxy materials in connection with the solicitation by our Board of Directors of proxies to be voted at the 2011 Annual Meeting of Stockholders.

If your shares were registered directly in your name with our transfer agent, Continental Stock Transfer & Trust Company, as of the close of business on April 29, 2011, you are considered a stockholder of record, and we have sent you this Notice of Annual Meeting and Proxy Statement, together with the enclosed proxy card and our 2010 Annual Report.

If your shares were held in the name of a bank, brokerage account or other nominee as of the close of business on April 29, 2011, you are considered a beneficial owner of the shares held in street name. Your bank, broker or other nominee has sent you this Notice of Annual Meeting and Proxy Statement, together with the enclosed vote instruction form and our 2010 Annual Report.

You have the right to direct your bank, broker or other nominee on how to vote your shares by completing and returning the vote instruction form or by instructing your bank, broker or other nominee by following the telephone or Internet voting instructions provided.

What am I voting on?

You are voting on the three proposals summarized below. Further details of each proposal are included in the next section entitled "Matters to Be Considered at the Annual Meeting."

- §Proposal 1: To elect one Class II director (nominee Robert E. Cauley) to serve until the 2014 Annual Meeting of Stockholders and until his successor is duly elected and qualified;
- §Proposal 2: To approve the 2011 Long Term Incentive Compensation Plan; and
- §Proposal 3: To ratify the selection of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2011.

What are the recommendations of the Board of Directors on how I should vote my shares?

The Board recommends that you vote your shares as follows:

- §Proposal 1: **FOR** the election of the Class II director nominee to serve until the 2014 Annual Meeting of Stockholders and until his successor is duly elected and qualified;
- §Proposal 2: **FOR** approval of the 2011 Long Term Incentive Compensation Plan; and
- §Proposal 3: **FOR** the ratification of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2011.

What are my choices when voting?

§Proposal 1: You may cast your vote in favor of the election of the Class II director nominee or you may elect to abstain from voting your shares.

§Proposal 2: You may cast your vote for or against approval of the 2011 Long Term Incentive Compensation Plan or you may elect to abstain from voting your shares.

§Proposal 3: You may cast your vote in favor of the ratification of BDO USA, LLP or you may elect to abstain from voting your shares.

How will my shares be voted if I do not specify how they should be voted?

The Board of Directors is asking for your proxy. Giving your proxy means that you authorize us to vote your shares at the meeting in the manner you direct. If you sign and return the enclosed proxy card, but do not specify how to vote, your shares will be voted as follows:

§Proposal 1: **FOR** the election of the Class II director nominee to serve until the 2014 Annual Meeting of Stockholders and until his successor is duly elected and qualified;

§Proposal 2: **FOR** approval of the 2011 Long Term Incentive Compensation Plan; and

§Proposal 3: **FOR** the ratification of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2011.

How do I vote?

You may grant a proxy to vote your shares by any one of the following methods:

§By mail: Mark your votes, sign and return the proxy card or vote instruction form in the postage paid envelope provided.

§By Internet: Log onto the website indicated on your proxy card or vote instruction form and follow the instructions provided.

§By telephone: Call the toll-free number shown on your proxy card or vote instruction form and follow the voice prompts.

Alternatively, you may attend the Annual Meeting in person and use a ballot to cast your vote. If you grant a proxy by the Internet or by telephone to vote your shares, you do not need to send in the proxy card or vote instruction form. The deadline for Internet and telephone proxy authorization will be 11:59 PM, Eastern Time, on Thursday, June 9, 2011. If your shares are held in the name of a bank, broker or other nominee, and you wish to vote your shares at the Annual Meeting, you will need to contact your bank, broker or other nominee to obtain a legal proxy form that you must bring with you to the meeting to exchange for a ballot.

What vote is needed for the proposals to be adopted?

As of the close of business on the record date, April 29, 2011, there were 9,842,099 shares of the Company's Class A Common Stock and 31,938 shares of the Company's Class B Common Stock issued and outstanding, representing the only classes of voting stock of the Company issued and outstanding as of such date. Each holder of Class A Common Stock and each holder of Class B Common Stock is entitled to cast one vote per share of Class A Common Stock or Class B Common Stock held on each matter that properly comes before the Annual Meeting. Holders of shares of Class A Common Stock and Class B Common Stock vote together as one class in all matters, except that matters that would adversely affect the rights and preferences of only one class must be separately approved by the holders of the adversely affected class.

§Quorum: In order to conduct the Annual Meeting, the presence, in person or by proxy, of stockholders entitled to cast a majority of all the votes entitled to be cast at the Annual Meeting is required. This is referred to as a quorum. If you submit a properly executed proxy card or authorize a proxy by telephone or by Internet, you will be treated as present at the Annual Meeting for purposes of determining the presence of a quorum. Proxy cards marked as abstaining and broker non-votes on any proposal to be acted on by stockholders will be treated as present at the Annual Meeting for purposes of determining the presence of a quorum.

§Proposals: The vote of a plurality of all of the votes cast at a meeting at which a quorum is present is necessary for the election of directors. For purposes of the election of directors, abstentions will not be counted as votes cast and will have no effect on the result of the vote. The affirmative vote of a majority of all of the votes cast at a meeting at which a quorum is present is required to approve the 2011 Long Term Incentive Compensation Plan and to ratify the appointment of BDO USA, LLP. For purposes of the vote on each of these two proposals, abstentions and broker non-votes will have the same effect as votes against the proposal.

Who will count and certify the votes?

Representatives of Broadridge Financial Solutions, Inc. and the inspector of elections (our controller) will count the votes and certify the election results. The results will be published in a current report on Form 8-K to be filed after the Annual Meeting.

What does it mean if I receive more than one proxy card?

It means you have multiple accounts registered with our transfer agent or with stock brokers or other nominees. Please complete and provide your voting instructions for all proxy cards and vote instruction forms that you receive.

Will my shares be voted if I do not sign and return my proxy card?

Possibly. If your shares are held in street name and you do not instruct your broker or other nominee how to vote your shares, your broker or nominee may either use its discretion to vote your shares on "routine matters" or leave your shares unvoted. For any "non-routine matters" considered at the meeting, your broker or other nominee would not be able to vote on such matters. We encourage you to provide instructions to your nominee by completing the vote instruction form or proxy card that you have received. This will ensure that your shares are voted at the Annual Meeting as you direct.

How can I change my vote?

You have the right to revoke your proxy at any time before the Annual Meeting. If you are a holder of record, you may contact our corporate secretary and request that another proxy card be sent to you. Alternatively, you may use the Internet or the telephone to authorize a new proxy and revoke your old proxy, even if you previously mailed in a proxy card. The latest-dated, properly completed proxy that you submit, whether through the Internet, by telephone or by mail will count as your vote. Please note that if you submit a later proxy authorization by mail, your re-authorization will not be effective unless it is received by our corporate secretary prior to the start of the Annual Meeting. If your shares are held in street name, you must contact your bank, broker or other nominee and follow their procedures for changing your vote instructions.

How can I attend the Annual Meeting?

Admission to the Annual Meeting is limited to stockholders who are entitled to vote or their authorized representatives. If you are a holder of record and wish to attend the Annual Meeting, tear off the Admission Ticket attached to the top half of your proxy card and bring it and a photo ID with you to gain admission to the meeting.

If your shares are held in the name of a bank, broker or other nominee, and you wish to attend the Annual Meeting, you must bring other proof of ownership, such as an account statement, that clearly shows that you held Bimini Capital Management, Inc. common stock on the record date, or a legal proxy obtained from your bank, broker or other nominee. You must also bring a photo ID. Alternatively, you may obtain an admission ticket by sending your request and a copy of your proof of ownership to our corporate secretary at Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963 provided that your request is received by the Company by Thursday, June 9, 2011.

No cameras, recording equipment, cell phones, electronic devices, large bags, backpacks, briefcases or packages will be permitted in the meeting room or adjacent areas. All items will be subject to search.

Can I view or receive these materials electronically?

This Proxy Statement and our 2010 Annual Report are available online at www.biminicapital.com. From the home page, select the "SEC Filings" tab to view or download the materials.

If you hold your shares in street name, you must contact your bank, broker or other nominee to consent to electronic delivery. By choosing to access your proxy materials electronically in the future, you will save the company the cost of printing and mailing these documents to you and help conserve natural resources.

How do I obtain a copy of materials related to corporate governance?

Our Corporate Governance Guidelines, the charters of each standing committee of our Board of Directors, our Code of Business Conduct and Ethics, our Code of Ethics for Senior Financial Officers and other materials related to our corporate governance are published on the Corporate Governance section of our website at www.biminicapital.com. In addition, this information is available in print to any stockholder who requests it by contacting our corporate secretary at Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963.

Who are the proxy solicitors and what are the solicitation expenses?

Our Board of Directors is asking for your proxy and we will pay all of the costs of asking for stockholder proxies. We can ask for proxies through the mail or personally by telephone or the Internet. We have hired Georgeson Inc. as a proxy solicitor and will pay them fees between \$16,000 and \$24,000 for their services. We will reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding solicitation material to the beneficial owners of the Company's common stock held of record by them. Broadridge Financial Solutions, Inc. assists us with certain administrative functions related to the distribution of the proxy, but is not acting as a solicitor.

How can I submit a proposal for consideration at the 2012 Annual Meeting?

To be considered for the 2012 Annual Meeting of Stockholders, stockholder proposals must be submitted in writing to our corporate secretary at Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963. No proposal can be included in our proxy statement for the 2012 Annual Meeting of Stockholders unless it is received by our corporate secretary no later than December 31, 2011 (120 days prior to April 30). The proposal must also meet the other requirements of the rules of the Securities and Exchange Commission relating to stockholder proposals.

Any stockholder whose proposal is not included in our proxy statement relating to the 2011 Annual Meeting of Stockholders and who intends to present a matter for consideration at such meeting must give notice to our corporate secretary in accordance with Section 1.11 of our Amended and Restated Bylaws and such matter must otherwise be a proper matter for stockholder action. For our 2012 Annual Meeting of Stockholders, any such notice must be received by our corporate secretary no later than April 16, 2012, and no earlier than March 16, 2012.

How can I recommend someone as a candidate for director?

A stockholder who wishes to recommend a candidate for director of the Company may write to Chair, Corporate Governance and Nominating Committee of the Board of Directors, c/o Corporate Secretary, Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963.

To be effective for consideration at the 2012 Annual Meeting of Stockholders, the recommendation must be received by our corporate secretary no later than April 16, 2012, and no earlier than March 16, 2012 and must include information about the nominating stockholder and the nominee that is required to be included in a proxy statement under the rules of the Securities and Exchange Commission.

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

PROPOSAL 1: TO ELECT ONE CLASS II DIRECTOR TO SERVE UNTIL THE 2014 ANNUAL MEETING OF STOCKHOLDERS AND UNTIL HIS SUCCESSOR IS DULY ELECTED AND QUALIFIED.

One director is nominated for election as a Class II director to serve until the 2014 Annual Meeting of Stockholders and until his successor has been duly elected and qualified, or until his earlier retirement, death or resignation. It is intended that the shares represented by each proxy for which no voting instructions have been given will be voted for the nominee for director set forth below who is an incumbent director, or for any substitute nominee designated by our Board of Directors in the event the nominee becomes unavailable for election. The principal occupation of, and certain other information regarding, the Class II director nominee and our continuing directors, as of April 29, 2011, is set forth below.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE CLASS II DIRECTOR NOMINEE.

Class II Director Nominee — Term Expires in 2014

ROBERT E. CAULEY, 52, has been a director of the Company since its inception in 2003. He has served as Chairman of the Board and Chief Executive Officer of the Company since 2008 and is one of the Company's founders. He served as Chief Financial Officer and Chief Investment Officer of the Company from 2003 to 2008. Prior to co-founding the Company, he was Vice President, Portfolio Manager at Federated Investment Management Company in Pittsburgh, Pennsylvania, where, from 1996 until September 2003, he served as a lead portfolio manager, co-manager, or assistant portfolio manager of \$4.25 billion (base capital, unlevered amount) in mortgage and asset backed securities funds. From 1994 to 1996, he was an associate at Lehman Brothers in the asset-backed structuring group. From 1992 to 1994, he was a credit analyst in the highly levered firms group and the aerospace group at Barclay's Bank. Mr. Cauley has invested in, researched, or structured almost every type of mortgage-backed security. Mr. Cauley, who is a CFA and a CPA, received his MBA in finance and economics from Carnegie Mellon University and his BA in accounting from California State University, Fullerton. Mr. Cauley served in the United States Marine Corps for four years.

Mr. Cauley brings to our Board in-depth knowledge of investing in fixed income securities, particularly mortgage-backed securities. Eight years of his fixed income investing experience has been within the context of a REIT. Mr. Cauley has experience in significant leadership positions within the Company, including as the current CEO and as the former CFO and CIO, which allows him to provide the Board with strategic insights. Mr. Cauley also has an in-depth understanding of accounting issues, as well as experience in the mortgage-backed securities field prior to joining the Company.

Continuing Class I Director — Term Expires in 2013

FRANK E. JAUMOT, 54, has been a director of the Company since April 24, 2009. He has been the Director of Accounting and Auditing for the certified public accounting firm of Ahearn, Jasco & Company, P.A. since 1991, and is a shareholder in that firm. From 1979 to 1991, Mr. Jaumot was associated with Deloitte & Touche LLP. Mr. Jaumot is a certified public accountant in Florida and Ohio and is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. He is also a member of the Board of Directors of MasTec, Inc. and PPOA Holding, Inc. Mr. Jaumot serves on the audit committee (as chairman) and the compensation committee for MasTec, Inc. Mr. Jaumot is also on the Board of Directors for Junior Achievement of South Florida, Inc., a not-for-profit entity.

As an accountant with over 30 years of experience, Mr. Jaumot provides our Board with significant accounting, financial reporting and tax expertise. His experience enhances the Board's ability to identify and evaluate accounting and tax issues. Mr. Jaumot also has corporate governance experience from serving on other boards of publicly held companies.

Class III Director — Term Expires in 2012

ROBERT J. DWYER, 66, has been a director of the Company since June 2007. He retired from Morgan Stanley Dean Witter in 1999 as Executive Vice President-National Sales Director, having served in that role from 1990 until his retirement. Prior to that, Mr. Dwyer was Director of Taxable Fixed Income for Morgan Stanley Dean Witter. He currently serves on the Board of Directors of the Bank of New York Ivy Multi-Strategy Hedge Funds, and is a member of the Board of Directors of MasTec, Inc. Mr. Dwyer has over 30 years of experience in financial markets, capital markets, and mergers and acquisitions.

Mr. Dwyer has numerous charitable and civic interests. He currently serves as Chairman of the Board of Trustees for Niagara University and is on the investment committee for the Vincentian Order. He also is Chairman of the Dwyer Family Foundation, which supports a number of health and social programs.

Mr. Dwyer provides our Board with significant experience in investment banking and finance matters. Mr. Dwyer's service on the boards and investment committees of other entities also allows him to provide insight on corporate governance and investor protection matters.

**PROPOSAL 2: TO APPROVE THE BIMINI CAPITAL MANAGEMENT, INC.
2011 LONG TERM INCENTIVE COMPENSATION PLAN.**

Since 2004, the Company has had two incentive and bonus plans, the Bimini Capital Management, Inc. 2003 Long Term Incentive Compensation Plan (the "2003 Plan") and the 2004 Bonus Compensation Plan (the "Bonus Plan"). The purpose of these plans is to attract key employees, directors and consultants to the Company, induce key employees, directors and consultants to continue employment with, or service to, the Company, and to provide incentives to make the Company's business more successful.

The Board of Directors believes the 2003 Plan has been effective in accomplishing its objectives. The 2003 Plan is scheduled to expire in 2014, and as of April 15, 2011, there were approximately 500,072 shares available for grant under the 2003 Plan (but subject to the 2003 Plan limitation that the total grants cannot exceed 10% of the total outstanding shares). The Company is therefore proposing the adoption of a new plan, the Bimini Capital Management, Inc. 2011 Long Term Incentive Compensation Plan (the "2011 Plan") which the Board of Directors adopted on April 28, 2011, subject to the approval of stockholders. The 2011 Plan is a long term incentive compensation plan containing terms that are similar to those in the 2003 Plan. If the 2011 Plan is approved by stockholders, then no new awards will be granted under the 2003 Plan. If stockholders do not approve the 2011 Plan, then the 2003 plan will remain in effect and the 2011 plan will not be implemented.

No awards have been made under the Bonus Plan in recent years and the Board of Directors believes that the Bonus Plan has not been effective in accomplishing its objectives. As a result, on April 1, 2010 the Board of Directors terminated the Bonus Plan. At this time the Company does not intend to replace the Bonus Plan.

The proposed 2011 Plan is attached as Exhibit A to this proxy statement. The more significant features of the 2011 Plan are summarized below. This summary is qualified in its entirety by reference to the full text of the 2011 Plan. To the extent there is a conflict between this summary and the 2011 Plan, the 2011 Plan shall govern. Capitalized terms not defined herein are used as defined in the 2011 Plan.

Administration of the 2011 Plan

The 2011 Plan will be administered by the compensation committee of the Board of Directors, except that the 2011 Plan will be administered by the Board of Directors with respect to awards made to directors who are not employees. This summary uses the term "administrator" to refer to the compensation committee or the Board of Directors, as applicable. The administrator will approve all terms of awards under the 2011 Plan. The administrator will also approve who will receive grants under the 2011 Plan and the number of shares of common stock subject to each grant.

Eligibility

All employees of the Company and employees of its affiliates are eligible to receive grants under the 2011 Plan. In addition, members of the Board of Directors and individuals who perform services for the Company and its affiliates may receive grants under the 2011 Plan. The 2011 Plan defines the term "affiliate" as any entity which controls, is controlled by, or is under common control with the Company. For this purpose, "control" means ownership of 50% or more of the total combined voting power or value of all classes of shares or interests in the entity or the power to direct the management and policies of the entity.

As of April 29, 2011, there were 8 individuals eligible to receive grants under the 2011 Plan, 3 of whom were directors and 5 of whom were employees who were not directors.

Share Authorization

The maximum aggregate number of shares of Class A Common Stock that may be issued under the 2011 Plan is 4,000,000 shares. In connection with stock splits, dividends, recapitalizations and certain other events, the Board of Directors will make adjustments that it deems appropriate in the aggregate number of shares of Class A Common Stock that may be issued under the 2011 Plan, the terms of outstanding awards and the individual grant limit (described below). If any options or stock appreciation rights terminate, expire or are canceled, forfeited, exchanged or surrendered without having been exercised or paid or if any stock awards, performance units or other equity-based awards are forfeited, the shares of Class A Common Stock subject to such awards will again be available for purposes of the 2011 Plan. Shares of Class A Common Stock tendered or withheld to satisfy the exercise price of an option or for tax withholding are not available for future grants under the 2011 Plan.

Individual Award Limit

The 2011 Plan limits the awards that any individual may be granted in a calendar year. The limit states that no individual may be granted awards covering more than 250,000 shares of Class A Common Stock in any calendar year. The limit applies to options, stock awards, stock appreciation rights, performance units, other equity-based awards and certain incentive awards. (The limit applies to incentive awards that are granted with reference to shares of Class A Common Stock or that may be settled in Class A Common Stock. A separate limit, described below, applies to incentive awards that are not granted with reference to shares of Class A Common Stock and that will be settled in cash.)

Options

The 2011 Plan authorizes the grant of incentive stock options (under Section 422 of the Code) and options that do not qualify as incentive stock options (non-qualified stock options). The number of shares subject to an option will be determined by the administrator. The exercise price of each option will be determined by the administrator, provided that the price cannot be less than 100% of the fair market value of the shares of Class A Common Stock on the date on which the option is granted (or 110% of the shares' fair market value on the grant date in the case of an incentive stock option granted to an individual who is a "ten percent stockholder" under Sections 422 and 424 of the Code). The exercise price for any option is generally payable (i) in cash, (ii) by certified check, (iii) by the surrender of shares of Class A Common Stock (or attestation of ownership of shares of Class A Common Stock) with an aggregate fair market value on the date on which the option is exercised, equal to the exercise price, or (iv) by payment through a broker in accordance with procedures established by the Federal Reserve Board. The term of an option cannot exceed ten years from the date of grant (or five years in the case of an incentive stock option granted to a "ten percent stockholder").

Stock Awards

The 2011 Plan also provides for the grant of stock awards and the administrator will determine the number of shares subject to each stock award. A stock award is an award of shares of Class A Common Stock that may be subject to restrictions on transferability and other restrictions as the administrator determines in its sole discretion on the date of grant, including the satisfaction of goals or objectives stated with reference to the performance measures discussed below. The restrictions, if any, may lapse over a specified period of time or through the satisfaction of conditions, in installments or otherwise, as the administrator may determine. Unless otherwise specified in the applicable award agreement, a participant who receives a stock award will have all of the rights of a stockholder as to those shares, including, without limitation, the right to vote the shares and the right to receive dividends or distributions on the shares. During the period, if any, when stock awards are non-transferable or forfeitable, (i) a participant is prohibited from selling, transferring, pledging, exchanging, hypothecating or otherwise disposing of his or her stock award shares, (ii) the Company will retain custody of the certificates and (iii) a participant must deliver a stock power to the Company for each stock award.

Stock Appreciation Rights

The 2011 Plan authorizes the grant of stock appreciation right and the administrator will determine the number of shares subject to each stock appreciation right. A stock appreciation right provides the recipient with the right to receive, upon exercise of the stock appreciation right, cash, shares of Class A Common Stock or a combination of the two. The amount that the recipient will receive upon exercise of the stock appreciation right generally will equal the excess of the fair market value of the shares of Class A Common Stock on the date of exercise over the shares' fair market value on the date of grant. Stock appreciation rights will become exercisable in accordance with terms determined by the administrator. Stock appreciation rights may be granted in tandem with an option grant or as independent grants. The term of a stock appreciation right cannot exceed ten years from the date of grant or five years in the case of a stock appreciation right granted in tandem with an incentive stock option awarded to a "ten percent stockholder."

Performance Units

The 2011 Plan also authorizes the grant of performance units and the administrator will determine the number of performance units that will be granted. Performance units represent the participant's right to receive an amount, based on the value of a specified number of shares of Class A Common Stock, if the terms and conditions prescribed by the administrator are satisfied. The administrator will determine the requirements that must be satisfied before performance units are earned, including but not limited to any applicable performance period and performance goals. Performance goals may relate to the Company's financial performance or the participant's performance or such other criteria determined by the administrator, including goals stated with reference to the performance measures discussed below. If performance units are earned, they will be settled in cash, shares of Class A Common Stock or a combination thereof.

Incentive Awards

The 2011 Plan also authorizes the administrator to make incentive awards. An incentive award entitles the participant to receive a payment if certain requirements are met. The administrator will establish the requirements that must be met before an incentive award is earned and the requirements may be stated with reference to one or more performance measures or criteria prescribed by the administrator, including goals stated with reference to the performance measures discussed below. An incentive award that is earned will be settled in a single payment which may be in cash, shares of Class A Common Stock or a combination thereof. The administrator will determine the amount that may be earned under an incentive award except that the 2011 Plan provides that no participant may receive more than \$500,000 in any calendar year under incentive awards that are not granted with reference to a number of shares of Class A Common Stock and that will be settled in cash.

Other Equity-Based Awards

The administrator may grant other types of stock-based awards as other equity-based awards under the 2011 Plan and the administrator will determine the number of other equity-based awards that will be granted. Other equity-based awards are payable in cash, shares of Class A Common Stock or other equity, or a combination thereof, as determined by the administrator. The terms and conditions of other equity-based awards will be determined by the administrator.

Dividend Equivalents

The administrator may grant dividend equivalents in connection with the grant of performance units and other equity-based awards. Dividend equivalents may be paid currently or accrued as contingent cash obligations (in which case they may be deemed to have been invested in shares of common stock) and may be payable in cash, shares of common stock or other property dividends declared on shares of Class A Common Stock. The administrator may prescribe that dividend equivalents will be accumulated and paid when, and to the extent that, the related performance units or other equity-based award is earned. The administrator will determine the terms of any dividend equivalents.

Change in Control

If the Company experiences a change in control, the administrator may, at its discretion, provide that all outstanding options, stock appreciation rights, stock awards, performance units, incentive awards or other equity-based awards that are not exercised or vested prior to the change in control will be assumed by the surviving entity, or will be replaced by a comparable substitute award of the same type as the original award and that has substantially equal value granted by the surviving entity. The administrator may also provide that all outstanding options and stock appreciation rights will be fully exercisable on the change in control, restrictions and conditions on outstanding stock awards will lapse upon the change in control and performance units, incentive awards or other equity-based awards will become earned in their entirety. The administrator may also provide that participants must surrender their outstanding options and stock appreciation rights, stock awards, performance units, incentive awards and other equity-based awards in exchange for a payment, in cash or shares of Class A Common Stock or other securities or consideration received by stockholders in the change in control transaction, equal to (i) the entire amount that can be earned under an incentive award, (ii) the value received by stockholders in the change in control transaction for each share subject to a stock award, performance unit or other equity-based award or (iii) in the case of options and stock appreciation rights, the amount by which that transaction value exceeds the exercise price.

In summary, a change in control under the 2011 Plan occurs if:

- a person, entity or affiliated group (with certain exceptions) acquires, in a transaction or series of transactions, more than 50% of the total combined voting power of the Company's outstanding securities;
- the Company merges into another entity unless the holders of the Company's voting securities immediately prior to the merger have more than 50% of the combined voting power of the securities in the merged entity or its parent;
- the Company sells or disposes of all or substantially all of its assets other than a sale or disposition to any entity, more than 50% of the combined voting power and common stock of which, is owned by the Company's stockholders; or
- during any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board of Directors together with any new directors (other than individuals who become directors in connection with certain transactions or election contests) cease for any reason to constitute a majority of the Board of Directors.

The Internal Revenue Code (the "Code") has special rules that apply to "parachute payments," i.e., compensation or benefits the payment of which are contingent upon a change in control. If certain individuals receive parachute payments in excess of a safe harbor amount prescribed by the Code, the payor is denied a federal income tax deduction for a portion of the payments and the recipient must pay a 20% excise tax, in addition to income tax, on a portion of the payments.

If the Company experiences a change in control, benefits provided under the 2011 Plan could be treated as parachute payments. In that event, the 2011 Plan provides that the plan benefits, and all other parachute payments provided under other plans and agreements, will be reduced to the safe harbor amount, i.e., the maximum amount that may be paid without excise tax liability or loss of deduction, if the reduction allows the recipient to receive greater after-tax benefits. The benefits under the 2011 Plan and other plans and agreements will not be reduced, however, if the recipient will receive greater after-tax benefits (taking into account the 20% excise tax payable by the recipient) by receiving the total benefits. The 2011 Plan also provides that these provisions do not apply to a participant who has an agreement with us providing that the individual is entitled to indemnification from us for the 20% excise tax.

Amendment; Termination

The Board of Directors may amend or terminate the 2011 Plan at any time, provided that no amendment may adversely impair the rights of participants under outstanding awards. The Company's stockholders must approve any amendment if such approval is required under applicable law or stock exchange requirements. The Company's stockholders also must approve any amendment that materially increases the benefits accruing to participants under the 2011 Plan, materially modifies the eligibility requirements of the 2011 Plan or materially increases the aggregate number of shares of Class A Common Stock that may be issued under the 2011 Plan, reduces the option price of an outstanding option or reduces the base or initial price of an outstanding stock appreciation right (in each case other than on account of stock dividends, stock splits, or other changes in capitalization as described above). Unless terminated sooner by the Board of Directors or extended with stockholder approval, the 2011 Plan will terminate on April 27, 2021 (but awards granted before the termination or expiration of the 2011 Plan will remain in effect in accordance with their terms).

Performance Measures; Section 162(m) of the Code

Section 162(m) of the Code provides that the Company generally cannot claim a federal income tax deduction of more than \$1 million on account of compensation paid to each of its Chief Executive Officer or three other most highly compensated officers (other than the Company's Chief Financial Officer). Compensation that qualifies as "performance based compensation" under Section 162(m) of the Code is deductible without regard to this limitation.

The 2011 Plan is designed so that options and stock appreciation rights can qualify as performance based compensation under Section 162(m). The 2011 Plan is also designed so that stock awards, performance units, other equity-based awards and incentive awards can qualify as performance-based compensation under Section 162(m). Those awards, i.e., awards other than options and stock appreciation rights, can satisfy Section 162(m) if the vesting or payment under the award is conditioned upon meeting goals or objectives based on performance measures authorized under the 2011 Plan.

The performance measures authorized under the 2011 Plan, which may relate to the Company or an affiliate, are: (i) return on equity, (ii) total earnings, (iii) earnings growth, (iv) return on capital, (v) return on capital employed, (vi) the fair market value of the Company's common stock, (vii) appreciation in the fair market value of the Company's Class A Common Stock, (viii) capital raised in the sale of common equity of the Company, (ix) net interest margin, (x) comparison of Class A Common Stock performance with market indices or peer groups, (xi) earnings per share, (xii) dividends per share, (xiii) income from continuing operations or core earnings, i.e., net interest income less direct operating expenses and general and administrative expenses but disregarding items specified by the Committee (e.g., items related to discontinued operations, extraordinary items, non-recurring items, the effects of changes in tax laws or regulations or changes in applicable accounting standards), (xiv) assets under management (with or without leverage limitations prescribed by the administrator), (xv) book value per share of or growth in book value per share of Class A Common Stock or (xvi) maintenance of book value per share of Class A Common Stock.

In accordance with Section 162(m) of the Code and as stated above, the 2011 Plan provides that no participant can receive awards during any calendar year covering more than 250,000 shares of Class A Common Stock and no participant can receive more than \$500,000 in any calendar year with respect to incentive awards that are not granted with reference to a number of shares of Class A Common Stock and that will be settled in cash.

2011 Plan Benefits

All awards under the 2011 Plan will be made at the discretion of the administrator. Accordingly, the benefits or amounts that may in the future be received by or allocated to participants under the 2011 Plan cannot be determined at this time. Likewise, the benefits or amounts that would have been received by or allocated to participants during the last completed fiscal year had the 2011 Plan been in effect cannot be determined.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain expected U.S. federal income tax consequences under current law relating to awards under the 2011 Plan. This description is not intended to be complete in all respects and the consequences may vary depending on the personal tax circumstances of the participant.

Non-Qualified Stock Options

No income will be recognized by a participant at the time a non-qualified stock option *i.e.*, an option that is not an Incentive Stock Option, is granted. Ordinary income generally will be recognized by a participant at the time a non-qualified stock option is exercised in an amount equal to the excess of the fair market value of the Class A Common Stock on the exercise date over the exercise price. The tax basis of the shares acquired upon the exercise of any non-qualified stock option will be equal to the sum of the exercise price of the non-qualified stock option and the amount included in income with respect to the option. The Company generally will be entitled to a deduction for U.S. federal income tax purposes in the same amount as the ordinary income recognized by the option holder upon exercise of the non-qualified stock option. Gain or loss on a subsequent sale or other disposition of the shares acquired upon the exercise of a non-qualified stock option will be measured by the difference between the amount realized on the disposition and the tax basis of such shares, and generally will be long-term or short-term capital gain depending on the holding period involved.

Incentive Stock Options

In general, neither the grant nor the exercise of an Incentive Stock Option will result in taxable income to a participant or a deduction for the Company. To receive special tax treatment as an Incentive Stock Option under the Code, a participant must not dispose of the shares within two years after the Incentive Stock Option is granted nor within one year after the transfer of the shares to the option holder pursuant to exercise of the option. In addition, the option holder must be an employee of the Company or a subsidiary at all times between the date of grant and the date three months (or one year in the case of disability) before exercise of the option. (Special rules apply in the case of the death of the option holder.) If the holding period is satisfied, any gain on the sale of shares of the Company's Class A Common Stock received upon the exercise of an Incentive Stock Option will be treated as long-term capital gain, but the Company will not be entitled to a tax deduction. The exercise of an Incentive Stock Option may affect the participant's liability for alternative minimum tax.

If the holding period rules noted above are not satisfied, all or part of the gain recognized on the disposition of the shares acquired upon the exercise of an Incentive Stock Option will be characterized as ordinary income. The ordinary income generally will be equal to the difference between the exercise price and the fair market value of the shares at the time of exercise. (Special rules may apply to disqualifying dispositions where the amount realized is less than the value at exercise.) The Company generally will be entitled to a deduction equal to the amount of ordinary income recognized by participant. Any excess of the amount realized upon such disposition over the fair market value at exercise generally will be long-term or short-term capital gain depending on the holding period involved.

Stock Appreciation Rights

No income will be recognized by a participant at the time a stock appreciation right is granted. Ordinary income generally will be recognized by a participant at the time a stock appreciation right is exercised in an amount equal to the fair market value of any Class A Common Stock and cash, as applicable, paid in settlement of the stock appreciation right. The tax basis of any shares received in settlement of the stock appreciation right will be equal to the shares' fair market value on the date of exercise. The Company generally will be entitled to a deduction for U.S. income tax purposes in the same amount as the ordinary income recognized by the participant. Gain or loss on a subsequent sale or other disposition of shares received under a stock appreciation right will be measured by the difference received in the disposition and the tax basis of the shares and generally will be long-term or short-term capital gain depending on the holding period involved.

Stock Awards

Unless a participant makes an "83(b) election" (as discussed below), a participant will recognize ordinary income on account of a stock award on the first date that the shares are no longer subject to a substantial risk of forfeiture or is transferable. Dividends paid on unvested shares generally will be treated as compensation income for U.S. federal income tax purposes (unless an 83(b) election has been made, as discussed below). Generally, when the restrictions are lifted, the participant will recognize ordinary income, and the Company will be entitled to a deduction, equal to the difference between the fair market value of the shares at that time and the amount, if any, paid for the shares. Subsequently realized changes in the value of the stock generally will be treated as long-term or short-term capital gain or loss, depending on the length of time the shares are held prior to disposition of the shares. In general terms, if a participant makes an 83(b) election (under Section 83(b) of the Code) upon the award of restricted stock, the participant will recognize ordinary income on the date of the award of restricted stock, and the Company will be entitled to a deduction, equal to (i) the fair market value of the restricted stock on the date of grant, minus (ii) the amount, if any, paid for the restricted stock. If an 83(b) election is made, there will generally be no tax consequences to the participant upon the lifting of restrictions, and all subsequent appreciation after the date of grant generally would be eligible for capital gains treatment. In the event of a forfeiture after an 83(b) election is made, no deduction or loss will be available, other than with respect to amounts actually paid for the stock.

Performance Units

In general, the grant of performance units will not result in taxable income to a participant or a deduction for the company. When performance units are earned and a payment is made, the participant generally will recognize ordinary income, and the Company would generally be entitled to a deduction, equal to the fair market value of the Class A Common Stock and cash, as applicable, received in settlement of the performance units.

Other Stock-Based Awards

A participant will recognize ordinary income on account of the transfer of Class A Common Stock or other property under an Other Stock-Based Award on the first date that the shares or other property are no longer subject to a substantial risk of forfeiture or is transferable. A participant who receives Class A Common Stock or other property under an Other Stock-Based Award may elect to have the federal income tax consequences of the transfer determined as of the date of grant by making an 83(b) election as described above. The amount of income recognized by a participant is equal to the (i) the fair market value of the Class A Common Stock, other property or cash on the applicable tax date minus (ii) the amount, if any, paid for the Class A Common Stock or other property. The Company will be entitled to a deduction equal to the amount of ordinary income recognized by the participant.

Other Stock-Based Awards that do not involve a transfer of Class A Common Stock or other property generally will not result in taxable income to a participant until payment is made. When payment is made, the participant will recognize ordinary income, and the Company will be entitled to a deduction, equal to the amount paid pursuant to the other stock-based award.

Incentive Awards

In general, the grant of an incentive award will not result in taxable income to the participant or a deduction for the Company. When the incentive award is earned and a payment is made, the participant generally will recognize ordinary income, and the Company generally would be entitled to a deduction, equal to the fair market value of the Class A Common Stock and cash, as applicable, received in settlement of the incentive award.

Dividend Equivalents

There generally will be no tax consequences as a result of the award of a dividend equivalent. When payment is made, the holder of the dividend equivalent generally will recognize ordinary income, and the Company will be entitled to a deduction, equal to the amount received in respect of the dividend equivalent.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR
THE BIMINI CAPITAL MANAGEMENT, INC.
2011 LONG-TERM INCENTIVE COMPENSATION PLAN.**

**PROPOSAL 3: TO RATIFY THE SELECTION OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

Our Audit Committee has selected the accounting firm of BDO USA, LLP to serve as our independent registered public accounting firm for the year ending December 31, 2011, subject to ratification of this appointment by our shareholders. Action by shareholders is not required by law in the appointment of an independent registered public accounting firm, but this appointment is submitted by the Board of Directors in order to give the shareholders a voice in the designation of auditors. If the appointment is not ratified by the shareholders, the Board of Directors will reconsider its choice of BDO USA, LLP as our independent registered public accounting firm. BDO USA, LLP has advised us that neither it nor any member thereof has any financial interest, direct or indirect, in our company or any of our subsidiaries in any capacity. BDO USA, LLP has served as our independent registered public accounting firm since April 17, 2008 and audited our consolidated financial statements for the years ended December 31, 2008, 2009, and 2010.

The Company anticipates that a representative of BDO USA, LLP will be present at the annual meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

**THE BOARD RECOMMENDS A VOTE FOR
THE RATIFICATION OF THE SELECTION OF BDO USA, LLP
AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

CORPORATE GOVERNANCE

Board Composition

The Company's business, property and affairs are managed under the direction of the Board of Directors. The Board is currently comprised of three directors divided into three classes, with one director representing each class. Terms of the classes are staggered, with one class standing for election each year. The Board is elected by stockholders to oversee management of the Company in the long-term interests of all stockholders.

Director Independence

Pursuant to Item 407(a)(1)(ii) of Regulation S-K of the Securities and Exchange Commission, the Board is required to affirmatively determine and disclose the independence of each director, and nominee for election as a director, based on the director independence standards of a national securities exchange or an inter-dealer quotation system having certain director independence requirements notwithstanding that the Company is not currently listed on any such exchange and the Company's securities are not currently quoted in any such inter-dealer quotation system. The Board has determined to use the definition of "independent director" as set forth in the Marketplace Rules of The Nasdaq Stock Market, LLC. Based on such definition, the Board has affirmatively determined that the following directors are "independent" within the meaning of Rule 5605(a)(2) of the Marketplace Rules and have no relationship with the Company which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director:

Robert J. Dwyer
Frank E. Jaumot

Notwithstanding the determination described above, the Board has determined that Mr. Jaumot is not "independent" under the stricter definition of that term that is contained in Rule 5605(c)(2) of the Marketplace Rules and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934. That stricter definition of "independent" is applied for purposes of service on the Company's Audit Committee. Services provided to the Company by Ahearn, Jasco & Company, P.A., a CPA firm in which Mr. Jaumot is a shareholder, cause Mr. Jaumot to not be "independent" for Audit Committee purposes. In addition, the Board has determined that Robert E. Cauley is not "independent" for purposes of the Marketplace Rules because he is an officer and employee of the Company.

Board Meetings and Committees

The Board currently has three standing committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The charter of each Board committee is available on the Corporate Governance section of the Company's website at www.biminicapital.com and will be made available in print to any stockholder upon written request delivered to our corporate secretary at Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963. The following table reflects the composition of each of the Board's standing committees as of April 30, 2010:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Robert J. Dwyer*+	Robert J Dwyer* Frank E. Jaumot	Robert J. Dwyer* Frank E. Jaumot

* Current Committee Chair.

+ Audit Committee Financial Expert.

During 2010, the Board held 6 meetings, the Audit Committee held 5 meetings, the Corporate Governance and Nominating Committee held 2 meetings and the Compensation Committee held 3 meetings. During 2010, no incumbent director attended fewer than 75% of the aggregate of the total number of meetings of the Board (held during the period for which such person was a director) and the total number of meetings held by all committees of the Board on which such person served (during the periods that such person served). It is the Company's policy for Board members to attend the Annual Meeting of the Stockholders. In 2010, all three Board members attended the Annual Meeting of the Stockholders.

Board Structure and Role in Risk Oversight

Board Leadership Structure

The Board has not separated the positions of Chairman of the Board and Chief Executive Officer. Robert E. Cauley holds these positions and he leads the Company's Board meetings. The Company's lead independent director is Robert J. Dwyer. Mr. Dwyer is the chair of the Company's existing Board Committees. Given the nature and scope of the Company's current operations, the Company's small management team and the limited number of Company employees, the Board has determined that the Company's current leadership structure is appropriate.

Board Role in Risk Oversight

The Board as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant Board Committees. The Audit Committee oversees management of financial risks and risks relating to potential conflicts of interest, the Compensation Committee is responsible for overseeing the management of risks relating to compensation arrangements, and the Nominating and Corporate Governance Committee manages risks associated with the size, composition and independence of the Board. These Committees provide reports periodically to the full Board. The oversight responsibility of the Board and its Committees is supported by management reporting processes that are designed to provide visibility to the Board about the identification, assessment, and management of critical risks. These areas of focus include strategic, operational, financial and reporting, compensation, legal and compliance, and other risks. The management reporting process includes regular reports from the Chief Executive Officer, which are provided with input from senior management team.

Audit Committee

The Audit Committee's charter, which may be accessed on the Corporate Governance section of our website at www.biminicapital.com, describes the composition, purposes and responsibilities of the committee. Among other things, the charter provides that the committee will be comprised of at least one director as appointed by the Board, whom shall meet the independence and audit committee composition requirements under applicable law and stock exchange listing standards as in effect from time to time and shall be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Committee.

The functions of the committee are primarily to review with our independent registered public accounting firm their reports concerning audit findings related to the Company's annual and quarterly financial statements, internal controls and procedures and disclosure controls and procedures. The committee also appoints our independent registered public accounting firm and assists the Board in oversight of our compliance with legal and regulatory requirements related to financial reporting matters.

The Board has determined that the Chair of the committee, Mr. Robert J. Dwyer, is an "audit committee financial expert" within the meaning of the applicable rules and regulations of the Securities and Exchange Commission and an Independent Director according to the Marketplace Rules of The Nasdaq Stock Market, LLC. Mr. Dwyer is also independent in accordance with the applicable law and stock exchange listing standards.

Service Fees Paid to the Independent Registered Public Accounting Firm

The Audit Committee has selected BDO USA, LLP as its independent registered public accounting firm for 2011 and such firm has audited the Company's annual consolidated financial statements for 2008, 2009 and 2010. The Company anticipates that representatives of BDO USA, LLP will be present at the Annual Meeting and, while they do not plan to make a statement (although they will have the opportunity to do so if they desire), they will be available to respond to appropriate questions from stockholders.

Fee Disclosure

The following table lists the fees for services rendered by BDO USA, LLP, our independent registered public accounting firm for the years ended December 31, 2010 and 2009:

Services	2010	2009
Audit Fees ¹	\$ 450,000	\$ 425,000
Audit Related Fees ²	-	-
Tax Fees ³	-	-
All Other Fees	-	-
Total	\$ 450,000	\$ 425,000

¹ Fees related to the audit of the consolidated financial statements, consents, quarterly reviews, consultations concerning financial accounting and reporting standards arising during the audits.

² Audit-related fees consist of Sarbanes Oxley compliance review and consultation.

³ Tax services consist of tax compliance and tax planning and advice.

Pre-Approval Policies and Procedures of our Audit Committee

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any de minimis non-audit services. All of the fees reflected above were approved by our Audit Committee.

Transactions with Related Persons

Pursuant to its committee charter, the Audit Committee of the Board of Directors is responsible for reviewing and approving related person transactions. Related person transactions include those transactions required to be disclosed by Item 404 of Regulation S-K under the Securities Exchange Act of 1934, as amended. As the Company is currently a "smaller reporting company" within the meaning of Regulation S-K, Item 404 requires disclosure of any transaction, since the beginning of the Company's fiscal year immediately preceding the Company's last fiscal year, or any currently proposed transaction, in which the Company was or is to be a participant and the amount involved exceeds the lesser of \$120,000 or one percent of the average of the Company's total assets at year end for the last two completed fiscal years, and in which a related person had or will have a direct or indirect material interest. The term "related person" is defined in Item 404 and includes the Company's directors, nominees for director, executive officers and each of their respective immediate family members, as well as any person that beneficially owns more than 5% of any class of the Company's voting stock and each such person's immediate family members, where applicable.

In fulfilling its responsibility, the Audit Committee will review the relevant facts of each related person transaction or series of related transactions and either approve, ratify or disapprove such transaction or transactions. The Audit Committee will take into account such factors as it deems necessary or appropriate in deciding whether to approve, ratify or disapprove any related person transaction, including any one or more of the following:

- §The terms of the transaction;
- §The benefits to the Company of the transaction;
- §The availability of other sources for comparable products or services;
- §The terms available to unrelated third parties or to employees generally; and
- §The impact on a director's independence in the event that such director is a party to the transaction or such director, an immediately family member of such director, or an entity in which such director is an executive officer or has a direct or indirect material interest is a party to the transaction.

No director may participate in any consideration or approval of a related person transaction with respect to which such director or any of such director's immediate family members is the related person or has a direct or indirect material interest. Related person transactions will only be approved if they are determined to be in, or not inconsistent with, the best interests of the Company and its stockholders.

On an annual basis, the Company solicits information from each of the Company's directors and executive officers to identify related person transactions. If a related person transaction that has not been previously approved or previously ratified is identified, the Audit Committee will promptly consider all of the relevant facts. If the transaction is ongoing, the Audit Committee may ratify or request the rescission, amendment or termination of the related person transaction. If the transaction has been completed, the Audit Committee may seek to rescind the transaction where appropriate and may recommend that the Board or the Company take appropriate disciplinary action where warranted. In addition, the Audit Committee will generally review any ongoing related person transactions on an annual basis to determine whether to continue, modify or terminate such related person transactions.

Mr. Jaumot is the Director of Accounting and Auditing and a shareholder of the certified public accounting firm Ahearn, Jasco & Company, P.A. Ahearn, Jasco & Company, P.A. has provided tax, accounting, and SEC consulting services to the Company since its founding in 2003 and is expected to continue providing such services in the future. Mr. Jaumot has been directly involved with services provided by Ahearn, Jasco & Company, P.A. to the Company. During fiscal years 2009 and 2010, the Company paid Ahearn, Jasco & Company, P.A. approximately \$112,400 and \$101,070, respectively, and from January 1, 2011 through March 31, 2011, the Company has been billed approximately \$44,300 for services performed in 2011. The Audit Committee has reviewed the engagement of Ahearn, Jasco & Company, P.A. and Mr. Jaumot's position on the Board of Directors, and determined that the engagement of Ahearn, Jasco & Company, P.A. is in the best interests of the Company. The Audit Committee will annually review this engagement.

Compensation Committee

The Compensation Committee's charter, which may be accessed on the Corporate Governance section of our website at www.biminicapital.com, describes the composition, purposes and responsibilities of the committee. Among other things, the charter provides that the committee will be comprised of at least one director as appointed by the Board, each of whom shall meet the independence requirements under applicable law and stock exchange listing standards as in effect from time to time and shall be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the committee. The Compensation Committee reviews and establishes or recommends to the Board the compensation and benefits of all of the Company's executive officers, administers the Company's incentive compensation plans and establishes and reviews general policies relating to compensation and benefits of the Company's employees. Recommendations regarding compensation of other non-executive officers are made by our Chief Executive Officer.

The Compensation Committee has the sole authority under its charter to select, retain and terminate a compensation consultant and to approve the consultant's fees and other retention terms. The Compensation Committee did not engage any compensation consultants during 2010. Rather, the Compensation Committee reviewed certain publicly available information, as well as information provided by the Company.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee was at any time during 2010 an officer or employee of the Company or any of the Company's direct or indirect subsidiaries nor is any such person a former officer of the Company or any of the Company's direct or indirect subsidiaries. In addition, no executive officer of the Company currently serves as a director or member of the compensation committee of any entity that has one or more executive officers serving as a director of the Company.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee's charter, which may be accessed on the Corporate Governance section of our website at www.biminicapital.com, describes the composition, purposes and responsibilities of the committee. Among other things, the charter provides that the committee shall be comprised of at least one director as appointed by the Board, each of whom shall meet the independence requirements under applicable law and stock exchange listing standards as in effect from time to time and shall be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the committee. The charter also provides that the committee shall be responsible to identify and recommend to the Board of Directors persons to be nominated by the Board to stand for election as directors at each Annual Meeting of Stockholders and persons to be elected by the Board to fill any vacancy or vacancies in its number. The committee also recommends to the Board actions to be taken regarding the structure, organization and functioning of the Board, and the persons to serve as members of the standing committees of, and other committees appointed by, the Board. The charter gives the committee the responsibility to develop and recommend corporate governance guidelines to the Board, and to recommend to the Board the process and criteria to be used in evaluating the performance of the Board and to oversee the evaluation of the Board.

In identifying potential candidates for Board membership, the Corporate Governance and Nominating Committee may consider candidates proposed by management, but is not required to do so. The committee also relies on suggestions and recommendations from current directors and stockholders and does not distinguish nominees recommended by stockholders from other nominees. A stockholder who wishes to recommend a candidate for director of the Company may write to Chair, Corporate Governance and Nominating Committee of the Board of Directors, in care of our corporate secretary at Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963.

In evaluating candidates for members of the Board, the Corporate Governance and Nominating Committee has not established specific minimum qualification standards, but rather takes into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The nominee for the board of directors in this proxy was nominated by the Corporate Governance and Nominating Committee.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines. These guidelines are revised from time to time to better address new or changing needs and regulatory requirements. The Corporate Governance Guidelines may be accessed from the Corporate Governance section of our website at www.biminicapital.com, and will be made available in print to any stockholder upon written request delivered to our corporate secretary at Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963.

Corporate Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics that is applicable to all officers, directors and employees of the Company and its subsidiaries. The Company has also adopted a Code of Ethics for Senior Financial Officers that is applicable to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Company's Code of Business Conduct and Ethics and the Company's Code of Ethics for Senior Financial Officers may be accessed from the Corporate Governance section of our website at www.biminicapital.com, and will be made available in print to any stockholder upon written request delivered to our corporate secretary at Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963. The Company intends to disclose any waivers from, or amendments to, our Code of Business Conduct and Ethics and our Code of Ethics for Senior Financial Officers required to be disclosed by applicable law or stock exchange listing standards by posting a description of such waiver or amendment on our website at www.biminicapital.com.

Stockholder Communications

Stockholders and other interested parties may communicate with any director, including the Chairman of the Board and the chairman of any committee of the Board or with the non-management directors as a group, by sending a letter to the attention of the appropriate person or persons (which may be marked as confidential) addressed in care of our corporate secretary at Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963. All communications received by our corporate secretary will be forwarded to the intended recipient(s). Any such communications may be made anonymously.

AUDIT COMMITTEE REPORT

In connection with the preparation of the Company's consolidated financial statements for the year ended December 31, 2010, the Audit Committee:

§Reviewed and discussed the Company's audited consolidated financial statements with management;

§Discussed with the Company's independent registered public accounting firm, BDO USA, LLP, the matters required by Statement on Auditing Standards ("SAS") No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and

§Received the written independence disclosures from BDO USA, LLP required by Independence Standards Board Standard No. 1 (Independence Standards Board No. 1, *Independence Discussions with Audit Committees*), as adopted by the Public Company Accounting Oversight Board in Rule 3600T, and has discussed with BDO USA, LLP their independence.

Based upon these reviews and discussions, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010, for filing with the Securities and Exchange Commission.

The Audit Committee:

Robert J. Dwyer (Chair)

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that incorporate future filings, including this Proxy Statement, in whole or in part, the foregoing Audit Committee Report shall not be incorporated by reference into any such filings.

COMPENSATION OF DIRECTORS

Overview

Directors who are not also employees of the Company are paid compensation in exchange for their service as a director. Director compensation is reviewed periodically by the Board to ensure such compensation is reasonable and appropriate.

Annual Retainer

During 2007, each of the Company's non-employee directors were entitled to an annual retainer of \$95,000. Effective as of the 2008 Annual Meeting, the annual retainer was reduced to \$70,000. Except for directors who own, through direct ownership or voting control, 5,000 shares or more of the Company's Class A Common Stock, a minimum of one-half of the compensation paid to the Company's non-employee directors is required to be paid in the form of shares of the Company's Class A Common Stock. In addition, each of the Company's non-employee directors may elect to receive all or a portion of the balance of their director compensation in the form of shares of the Company's Class A Common Stock. Directors who are also employees of the Company are not separately compensated for their service as directors.

The Company has agreed to compensate Mr. Jaumot on a different basis than the other non-employee director. Mr. Jaumot is compensated for his board service on an hourly basis using the standard hourly rate used in his CPA practice. During 2010, Mr. Jaumot's hourly rate was \$365 per hour. Mr. Jaumot's current hourly rate is \$395.

Additional Retainers

In addition to the annual retainer for each non-employee director, non-employee directors were entitled to the following additional retainers during 2010:

Nature of Retainer	Retainer Amount
Audit Committee Chair	\$ 25,000
Corporate Governance and Nominating Committee Chair	\$ 10,000
Compensation Committee Chair	\$ 10,000

During 2010, Mr. Dwyer served as Chair of each of the Committees listed above.

The following table sets forth the compensation paid to non-employee directors during 2010:

Directors Compensation Table

Name	Fees Earned or Paid in Cash ¹	Stock Awards ²	Option Awards	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings	All Other Compensation	Total
Robert J. Dwyer	\$	\$ 115,000	\$	\$	\$	\$	\$ 115,000
Frank E. Jaumot ³	\$	\$ 45,337	\$	\$	\$	\$	\$ 45,337

¹ Except as described in note 3 below, during 2010 director fees included an annual retainer of \$70,000 and additional committee chair retainers. The chair of the Audit Committee received an additional annual retainer of \$25,000, while the chairs of the Compensation Committee and the Corporate Governance and Nominating Committee each received an additional annual retainer of \$10,000. These retainer fees were paid quarterly and directors were entitled to elect to receive shares of the Company's Class A Common Stock in lieu of all or any portion of their retainer fees that would otherwise be payable in cash. In addition, except for directors who own, through direct ownership or voting control, 5,000 shares or more of the Company's Class A Common Stock, a minimum of one-half of the compensation paid to the Company's non-employee directors is paid in the form of shares of the Company's Class A Common Stock. Director's fees are paid in advance on December 15, March 15, June 15, and September 15 of each year.

² Amounts in this column represent the expense, rounded to the nearest dollar, recognized for financial statement purposes for the fiscal year ended December 31, 2010, in accordance with FASB ASC Topic 718, Stock Compensation, of shares of the Company's Class A Common Stock issued to directors in lieu of any retainer fees that would otherwise be payable in cash. The grant date fair value of shares of the Company's Class A Common Stock so issued during 2010 to each non-employee director is shown in the accompanying table below entitled "Stock Awards to Non-Employee Directors in Lieu of Cash Payments."

³ Mr. Jaumot is compensated for his board service on an hourly basis using the standard hourly rate used in his CPA practice, which was \$365 per hour during 2010.

Stock Awards to Non-Employee Directors in Lieu of Cash Payments

Name	Grant Date	Number of Shares	Grant Date Fair Value of Stock Awards¹	Total
Robert J. Dwyer	3/15/2010	22,461	\$ 1.28	\$ 28,750
	6/15/2010	33,824	0.85	28,750
	9/15/2010	34,639	0.83	28,750
	12/15/2010	34,849	0.83	28,750
Frank E. Jaumot	3/15/2010	8,413	\$ 1.28	\$ 10,769
	6/15/2010	15,803	0.85	13,433
	9/15/2010	14,161	0.83	11,754
	12/15/2010	11,371	0.83	9,381

¹ Amounts in this column represent the grant date fair value computed in accordance with FASB ASC Topic 718 (column (c)) attributable to shares of the Company's Class A Common Stock issued to directors in lieu of retainer fees that would otherwise be payable in cash.

COMPENSATION OF EXECUTIVE OFFICERS

Our executive officers are appointed by the Board of Directors and they serve at the Board's discretion. None of our executive officers or directors are related. Set forth below is information about our current executive officers.

ROBERT E. CAULEY, 52, has been a director of the Company since its inception in 2003. He is currently Chairman of the Board and Chief Executive Officer of the Company and is one of the Company's founders. Prior to co-founding the Company, he was Vice President, Portfolio Manager at Federated Investment Management Company in Pittsburgh, Pennsylvania, where, from 1996 until September 2003, he served as a lead portfolio manager, co-manager, or assistant portfolio manager of \$4.25 billion (base capital, unlevered amount) in mortgage and asset backed securities funds. From 1994 to 1996, he was an associate at Lehman Brothers in the asset-backed structuring group. From 1992 to 1994, he was a credit analyst in the highly levered firms group and the aerospace group at Barclay's Bank. Mr. Cauley has invested in, researched, or structured almost every type of mortgage-backed security. Mr. Cauley, who is a CFA and a CPA, received his MBA in finance and economics from Carnegie Mellon University and his BA in accounting from California State University, Fullerton. Mr. Cauley served in the United States Marine Corps for four years.

G. HUNTER HAAS, IV, 34, serves as President, Chief Investment Officer, Chief Financial Officer and Treasurer for the Company. Mr. Haas joined Bimini Capital Management, Inc. in April 2004 as Vice President and Head of Mortgage Research. Prior to joining the Company, Mr. Haas worked at National City Mortgage Company from June 2002 to April 2004, most recently as Vice President of Risk Analytics in the Servicing Asset Risk Management Department. While there, he specialized in researching the impact of mortgage prepayments on a \$155 billion servicing portfolio. Mr. Haas has presented his research at conferences to other fixed income and mortgage banking professionals. He worked at Homeside Lending Inc. from December 2001 to May 2002, where he was a member of the Capital Markets Finance Group. Prior to December 2001, Hunter attended Oklahoma State University, where he received his MS in Economics. While there he focused his graduate studies on econometrics, forecasting and statistical analysis.

The following table summarizes compensation awarded or paid during the Company's last two fiscal years to Robert E. Cauley and G. Hunter Haas, IV as the Company's principal executive officer and principal financial officer, respectively. Mr. Cauley and Mr. Haas constitute all of the Company's executive officers and are referred to as the Company's named executive officers.

Summary Compensation Table

Name	Year	Salary	Bonus ¹	Stock Awards ²	Nonqualified			All Other Compensation ³	Total
					Option Awards	Non-Equity Incentive Compensation	Deferred Compensation Earnings		
Robert E. Cauley									
	2010	525,000	200,000	135,100	-	-	-	40,623	900,723
	2009	400,000	200,000	75,000	-	-	-	76,544	751,544
G. Hunter Haas, IV									
	2010	400,000	100,000	120,625	-	-	-	32,346	652,971
	2009	400,000	100,000	75,000	-	-	-	70,208	645,208

¹ On January 12, 2011, the Compensation Committee awarded cash bonuses to Messrs. Cauley and Haas in respect of 2010 service to the Company in the amounts of \$200,000 and \$100,000, respectively. These amounts were paid in January, 2011.

² Does not reflect amounts actually received as compensation, but represents the grant date fair value computed in accordance with FASB ASC Topic 718. On April 1, 2010, the Compensation Committee granted 140,000 and 125,000 phantom shares to Mr. Cauley and Mr. Haas, respectively. All such phantom shares have dividend equivalent rights and vest on March 15, 2015. On June 16, 2009, the Compensation Committee granted 50,000 phantom shares to each of Mr. Cauley and Mr. Haas. All such phantom shares have dividend equivalent rights and vest on June 14, 2014.

³ Amounts in this column consist of payments made with respect to reimbursement of certain life, health, disability, accidental death and dental insurance premiums (exclusive of any tax gross-up payments) in excess of the percentage of such premiums paid by the Company for salaried employees generally; matching contributions under the Company's 401(k) savings plan; and the aggregate dollar value of dividends paid on phantom shares that were not vested on the applicable dividend date, the value of which were not included in the grant date fair value for such shares.

Neither Mr. Cauley nor Mr. Haas has an employment agreement with the Company. However, Mr. Cauley and Mr. Haas have entered into agreements with the Company which provide for certain payments upon the termination of their employment. Such agreements are described in detail below under "Potential Payments Upon Termination or a Change of Control."

Outstanding Equity Awards at Fiscal Year-End

The following sets forth all outstanding equity awards held by the executive officers as of December 31, 2010.

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Un-exercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) ¹	Market Value of Shares or Units of Stock That Have Not Vested (\$) ²	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights Not Vested (\$)
Robert E. Cauley	—	—	—	—	—	190,000	\$148,200	—	—
G. Hunter Haas, IV	—	—	—	—	—	175,000	\$136,500	—	—

¹ Amounts in this column represent the number of shares of the Company's Class A Common Stock that are issuable upon vesting of phantom shares that were granted under the Company's 2003 Long-Term Incentive Compensation Plan and that remain unvested as of December 31, 2010. These phantom shares are subject to certain vesting requirements and forfeiture provisions prior to vesting, but are not subject to any performance-based vesting criteria. Of the 190,000 phantom shares held by Mr. Cauley and 175,000 phantom shares held by Mr. Haas, 50,000 and 50,000, respectively, shall vest on June 16, 2014. The balance, 140,000 and 125,000, respectively, shall vest on March 15, 2015. Mr. Cauley and Mr. Haas have no other unvested securities.

² Market value is based on the \$0.78 closing price of the Company's Class A Common Stock on December 31, 2010, and assumes that the time-based vesting criteria of all phantom shares unvested as of December 31, 2010, will be satisfied.

Executive Retirement Benefits

The Company does not maintain any tax-qualified or nonqualified defined benefit pension plans, supplemental executive retirement plans or nonqualified deferred compensation plans in which any of the named executive officers participate. The Company does maintain a tax qualified defined contribution plan in which Messrs. Cauley and Haas participate. Under these defined contribution plans, Messrs. Cauley and Haas received certain matching contributions as set forth in the Summary Compensation table above.

POTENTIAL PAYMENTS UPON TERMINATION OR A CHANGE OF CONTROL

Mr. Cauley and Mr. Haas entered severance agreements with the Company on December 18, 2008. Those agreements were replaced by new agreements entered into on June 30, 2009. Mr. Cauley's agreement and Mr. Haas' agreement contain substantially the same terms and conditions. The term of each new agreement expires June 30, 2012, but is automatically extended by additional twelve month periods each July 1 unless the Company provides notice otherwise or in the event of a change of control during the term of the agreement.

The qualitative and quantitative information below reflects the amount of compensation payable to Mr. Cauley and Mr. Haas under their respective agreements with the Company in the event of termination of such executive's employment under several different circumstances. Amounts disclosed assume that such termination is effective as of December 31, 2010, and thus include amounts earned through such time and are estimates of the amounts that would have been payable to the executives had their employment terminated effective December 31, 2010. The actual amounts, if any, to be paid out under the executive's respective agreement can only be determined at the time of such executive's separation from the Company. Upon expiration of these agreements, the termination payment provisions contained in the agreements, as described below, will automatically terminate and will have no further force or effect.

Potential Payments and Benefits upon Termination without Cause or for Good Reason

Under the agreements, if the Company terminates an executive's employment without "cause," or an executive terminates his employment for "good reason," or an executive's employment terminates due to death or disability, then the executive will be entitled to receive the following payments and benefits from the Company, subject to the terms and conditions of the severance agreements:

- Payment of any accrued but unpaid salary from the Company through the date that employment terminates;
 - Payment of any bonus that has been approved by the Compensation Committee of the Board but which remains unpaid as of termination of employment;
 - Reimbursement for any expenses that the executive incurred on behalf of the Company prior to termination of employment to the extent that such expenses are reimbursable under the Company's standard reimbursement policies;
 - Payment for the cost of continued health plan coverage for the executive and his qualified beneficiaries through the term of the agreement;
 - Payment for any benefits or payments that the executive is entitled to receive under any employee benefit plans or other arrangements or agreements that cover executive;
 - Nonvested phantom shares or restricted stock, stock options and other stock-based awards will become automatically vested on the date of the executive's termination of employment;
 - Indemnification if certain liabilities are incurred by the executive pursuant to Internal Revenue Code Section 4999; and
 - A severance benefit equal to the amount described in either (i) or (ii) below, as applicable:
- (i) If the Company terminates the executive's employment without Cause within six months before or after a change of control or the executive resigns from the Company within six months after a change of control with Good Reason, the executive will receive a severance benefit equal to three times his "current cash compensation," which shall be equal to one year of the executive's annual base salary from the Company as in effect on the date the executive's employment terminates and the average of the annual cash bonuses, excluding extraordinary bonuses, paid to the executive for the Company's two fiscal years ending before the date the executive's employment with the Company terminates; or
- (ii) If the executive's employment terminates but the requirements specified in (i) above are not satisfied, the severance benefit payable is equal to the executive's current cash compensation multiplied by the quotient of (a) the number of days remaining in the term of the agreement and (b) 365.

Had the employment of Mr. Cauley or Mr. Haas been terminated effective as of December 31, 2010, without Cause or for Good Reason, the severance payment would have been \$2,175,000 or \$1,086,507 for Mr. Cauley, depending on whether subpart (i) or (ii) applied, and \$1,500,000 or \$749,315 for Mr. Haas, depending on whether subpart (i) or (ii) applied. In addition, the fair market value as of December 31, 2010, of unvested equity-based awards (the vesting of which would have been accelerated under such circumstances) would have been \$148,200 and \$136,500, respectively, for Mr. Cauley and Mr. Haas.

OTHER INFORMATION

Security Ownership of Certain Beneficial Owners

As of the close of business on April 29, 2011, there were 9,905,975 shares of the Company's common stock issued and outstanding, consisting of 9,842,099 shares of Class A Common Stock, 31,938 shares of Class B Common Stock and 31,938 shares of Class C Common Stock. Set forth below is certain information concerning beneficial owners, other than the Company's directors or executive officers, of more than five percent of the Company's outstanding common stock as of December 31, 2010.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Class A Common Stock	Security Investors, LLC One Security Benefit Place Topeka, KS 66636-0001	736,083	7.48%

The information above is based solely on a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2011 by Security Investors, LLC ("Security Investors"). Security Investors reported beneficial ownership of 736,083 shares of the Company's Class A Common Stock as of December 31, 2010. Security Investors reported that it possessed sole voting and dispositive power over 736,083 shares of Class A Common Stock. Security Investors also reported that it did not possess shared voting or shared dispositive power over any shares beneficially owned.

Security Ownership of Management and Directors

Set forth below is information known to the Company regarding the beneficial ownership of the Company's Class A Common Stock and Class B Common Stock as of April 29, 2011, by each of the Company's directors, director nominees and named executive officers, as well as the beneficial ownership of the Company's common stock by all directors, director nominees and named executive officers as a group. Each person's beneficial ownership includes:

- §all shares the person actually owns (of record or beneficially);
- §all shares over which the person has or shares voting or dispositive control (such as in the capacity as a general partner of an investment fund); and
- §all shares the person has the right to acquire within 60 days after April 29, 2011 (such as upon vesting of outstanding phantom shares that are scheduled to vest within such period).

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Class A Common Stock			
	Robert E. Cauley	221,410	2.25%
	G. Hunter Haas, IV	140,804	1.43%
	Robert J. Dwyer	631,838	6.42%
	Frank E. Jaumot	1 220,425	2.24%
	All Directors and Executive Officers as a Group	<u>1,214,477</u>	<u>12.34%</u>

¹ Includes 206,128 shares directly owned by Mr. Jaumot, 7,853 shares held in an IRA account for the benefit of Mr. Jaumot, and 6,444 shares held in an IRA account for the benefit of Janet M. Jaumot, Mr. Jaumot's wife.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Class B Common Stock			
	Robert E. Cauley	11,178	35.0%
	All Directors and Executive Officers as a Group	<u>11,178</u>	<u>35.0%</u>

Section 16(a) Beneficial Ownership Reporting Compliance

The Company's directors and executive officers are required to file reports of initial ownership and changes in ownership of the Company's securities with the Securities and Exchange Commission. To the Company's knowledge, based solely on a review of copies of such reports filed with the Securities and Exchange Commission and written representations that no other reports were required, the required filings of all such directors and executive officers were filed timely.

2010 Annual Report

The Company's 2010 Annual Report is being mailed to stockholders concurrently with this Proxy Statement. The 2010 Annual Report, however, is not part of the proxy solicitation material. A copy of the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission, which includes the Company's consolidated financial statements for the year ended December 31, 2010, is contained in the 2010 Annual Report and is available on the Company's website at www.biminicapital.com. You may obtain additional copies of our Annual Report on Form 10-K free of charge by directing your request in writing to our corporate secretary at Bimini Capital Management, Inc., 3305 Flamingo Drive, Vero Beach, Florida 32963.

Important Notice Regarding Delivery of Stockholder Documents

In accordance with a notice sent to certain street name stockholders of the Company's voting stock who share a single address, only one copy of this Proxy Statement and the Annual Report is being sent to that address unless we received contrary instructions from any stockholder at that address. This practice, known as "householding," is designed to reduce the Company's printing and postage costs. However, if any stockholder residing at such an address wishes to receive a separate copy of this Proxy Statement or the Annual Report, he, she or it may contact the Company at 3305 Flamingo Drive, Vero Beach, Florida 32963, (772) 231-1400, and the Company will deliver those documents to such stockholder promptly upon receiving the request. Any such stockholder may also contact the Company at the contact information provided above if he, she or it would like to receive separate proxy statements and annual reports in the future. If you are receiving multiple copies of the Annual Report and Proxy Statement, you may also request householding in the future by contacting the Company's corporate secretary.

Other Matters; Adjournments

So far as is known, no matters other than those described herein are expected to come before the 2011 Annual Meeting of Stockholders. It is intended, however, that the proxies solicited hereby will be voted on any other matters which may properly come before the meeting, or any adjournment or postponement thereof, in the discretion of the person or persons voting such proxies unless the stockholder has indicated on the Proxy Card that the shares represented thereby are not to be voted on such other matters. Adjournments may be made for the purpose of, among other things, soliciting additional proxies. Any adjournment may be made from time to time by approval of the holders of a majority of the shares present in person or by proxy at the Annual Meeting (whether or not a quorum exists) without further notice other than by an announcement made at the Annual Meeting. If the Annual Meeting is adjourned or postponed for any reason, all proxies will be voted at the reconvened Annual Meeting in the same manner as such proxies would have been voted at the original convening of the Annual Meeting (except for proxies that have, at that time, effectively been revoked or withdrawn). The Company does not currently intend to seek an adjournment of the Annual Meeting.

Vero Beach, Florida
April 29, 2011

BIMINI CAPITAL MANAGEMENT, INC.

2011 LONG TERM INCENTIVE COMPENSATION PLAN

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ARTICLE I

DEFINITIONS

1.01. Affiliate

Affiliate means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, the Company (including, but not limited to, joint ventures, limited liability companies and partnerships). For this purpose, the term “control” shall mean ownership of 50% or more of the total combined voting power or value of all classes of shares or interests in the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

1.02. Agreement

Agreement means a written agreement (including any amendment or supplement thereto) between the Company and a Participant specifying the terms and conditions of an Award granted to such Participant.

1.03. Award

Award means any Option, SAR, Stock Award, Performance Unit, Other Equity-Based Award or Incentive Award.

1.04. Board

Board means the Board of Directors of the Company.

1.05. Change in Control

“Change in Control” shall mean a change in control of the Company which will be deemed to have occurred after the date hereof if:

- (1) any “person” as such term is used in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof except that such term shall not include (A) the Company or any of its subsidiaries, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its affiliates, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the Company’s common stock, or (E) any person or group as used in Rule 13d-1(b) under the Exchange Act, is or becomes the Beneficial Owner, as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of outstanding Company securities;

- (2) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new director (other than (A) a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (1), (3) or (4) of this Section 1.05 or (B) a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;
- (3) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation in which the holders of Company voting securities immediately before the merger or consolidation continue to own more than 50% or more of the combined voting power of the Company or the surviving entity in the merger or consolidation or any parent thereof outstanding immediately after such merger or consolidation; or
- (4) there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect, including a liquidation) other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than 50% of the combined voting power and common stock of which is owned by stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company immediately prior to such sale.

If a change in control constitutes a payment event with respect to any Option, SAR, Stock Award, Performance Unit or Other Equity-Based Award that provides for the deferral of compensation and is subject to Section 409A of the Code, no payment will be made under that award on account of a Change in Control unless the event described in (1), (2), (3) or (4) above, as applicable, constitutes a "change in control event" under Treasury Regulation Section 1.409A-3(i)(5).

1.06. Code

Code means the Internal Revenue Code of 1986, and any amendments thereto.

1.07. Committee

Committee means the Compensation Committee of the Board. Unless otherwise determined by the Board, the Committee shall consist solely of two or more non-employee members of the Board, each of whom is intended to qualify as a “non-employee director” as defined by Rule 16b-3 of the Exchange Act or any successor rule, an “outside director” for purposes of Section 162(m) of the Code (if awards under the Plan are subject to the deduction limitation of Section 162(m) of the Code) and an “independent director” under the rules of any exchange or automated quotation system on which the Common Stock is listed, traded or quoted; provided, that any action taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the foregoing requirements or otherwise provided in any charter of the Committee. If there is no Compensation Committee, then “Committee” means the Board; and provided, further, that with respect to awards made to a member of the Board who is not an employee of the Company or an Affiliate, “Committee” means the Board.

1.08. Common Stock

Common Stock means the Class A common stock[, par value \$0.001 per share,] of the Company.

1.09. Company

Company means Bimini Capital Management, Inc., a Maryland corporation.

1.10. Control Change Date

Control Change Date means the date on which a Change in Control occurs. If a Change in Control occurs on account of a series of transactions, the “Control Change Date” is the date of the last of such transactions.

1.11. Corresponding SAR

Corresponding SAR means an SAR that is granted in relation to a particular Option and that can be exercised only upon the surrender to the Company, unexercised, of that portion of the Option to which the SAR relates.

1.12. Dividend Equivalent Right

Dividend Equivalent Right means the right, subject to the terms and conditions prescribed by the Committee, of a Participant to receive (or have credited) cash, shares or other property in amounts equivalent to the cash, shares or other property dividends declared on shares of Common Stock with respect to specified Performance Units or units denominated in shares of Common Stock or other Company securities subject to an Other Equity-Based Award, as determined by the Committee, in its sole discretion. The Committee may provide that such Dividend Equivalents (if any) shall be distributed only when, and to the extent that, the underlying award is vested or earned and also may provide that Dividend Equivalents (if any) shall be deemed to have been reinvested in additional shares of Common Stock or otherwise reinvested.

1.13. Exchange Act

Exchange Act means the Securities Exchange Act of 1934, as amended.

1.14. Fair Market Value

Fair Market Value means, on any given date, the reported “closing” price of a share of Common Stock on such date on the principal exchange on which the Common Stock is listed for trading (or, if there is no closing price for a share of Common Stock on the date in question, the closing price for a share of Common Stock on the last preceding date for which such quotation exists) or, if the Common Stock is not listed on any exchange, the amount determined by the Committee using any reasonable method in good faith and in accordance with the regulations under Section 409A of the Code.

1.15. Incentive Award

Incentive Award means an award awarded under Article XI which, subject to the terms and conditions prescribed by the Committee, entitles the Participant to receive a payment from the Company or an Affiliate.

1.16. Initial Value

Initial Value means, with respect to a Corresponding SAR, the option price per share of the related Option and, with respect to an SAR granted independently of an Option, the price per share of Common Stock as determined by the Committee on the date of grant; provided, however, that the price shall not be less than the Fair Market Value on the date of grant. Except as provided in Article XII, the Initial Value of an outstanding SAR may not be reduced (by amendment, cancellation and new grant or otherwise) without the approval of stockholders.

1.17. Option

Option means a share option that entitles the holder to purchase from the Company a stated number of shares of Common Stock at the price set forth in an Agreement.

1.18. Other Equity-Based Award

Other Equity-Based Award means any award other than an Option, SAR, a Performance Unit or a Stock Award which, subject to such terms and conditions as may be prescribed by the Committee, entitles a Participant to receive Common Stock or rights or units valued in whole or in part by reference to, or otherwise based on, Common Stock (including securities convertible into Common Stock) or other equity interests.

1.19. Participant

Participant means an employee or officer of the Company or an Affiliate, an individual who provides services to the Company or an Affiliate and a member of the Board, and in each case who satisfies the requirements of Article IV and is selected by the Committee to receive an Award.

1.20. Performance Measure

Performance Measure means with respect to the Company or an Affiliate: (i) return on equity, (ii) total earnings, (iii) earnings growth, (iv) return on capital, (v) return on capital employed, (vi) Fair Market Value, (vii) appreciation in Fair Market Value, (viii) capital raised in the sale of common equity, (ix) net interest margin, (x) comparison of Common Stock performance with market indices or peer groups, (xi) earnings per share, (xii) dividends per share, (xiii) income from continuing operations or core earnings, *i.e.*, net interest income less direct operating expenses and general and administrative expenses but disregarding items specified by the Committee (*e.g.*, items related to discontinued operations, extraordinary items, non-recurring items, the effects of changes in tax laws or regulations or changes in applicable accounting standards), (xiv) assets under management (with or without leverage limitations prescribed by the Committee), (xv) book value per share of Common Stock or growth in book value per share of Common Stock or (xvi) maintenance of book value per share of Common Stock.

1.21. Performance Units

Performance Units means an award, in the amount determined by the Committee, stated with reference to a specified number of shares of Common Stock, that in accordance with the terms of an Agreement entitles the holder to receive a payment for each specified unit equal to the value of the Performance Unit on the date of payment.

1.22. Plan

Plan means this Bimini Capital Management, Inc. 2011 Long Term Incentive Compensation Plan.

1.23. REIT

REIT means a real estate investment trust within the meaning of Sections 856 through 860 of the Code.

1.24. SAR

SAR means a share appreciation right that in accordance with the terms of an Agreement entitles the holder to receive, with respect to each share of Common Stock encompassed by the exercise of the SAR, the excess, if any, of the Fair Market Value at the time of exercise over the Initial Value. References to “SARs” include both Corresponding SARs and SARs granted independently of Options, unless the context requires otherwise.

1.25. Stock Award

Stock Award means Common Stock awarded to a Participant under Article VIII.

1.26. Ten Percent Stockholder

Ten Percent Stockholder means any individual owning more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of a “parent corporation” or “subsidiary corporation” (as such terms are defined in Section 424 of the Code) of the Company. An individual shall be considered to own any voting shares owned (directly or indirectly) by or for his or her brothers, sisters, spouse, ancestors or lineal descendants and shall be considered to own proportionately any voting shares owned (directly or indirectly) by or for a corporation, partnership, estate or trust of which such individual is a stockholder, partner or beneficiary.

ARTICLE II

PURPOSES

The Plan is intended to assist the Company and its Affiliates in recruiting and retaining employees, directors and other service providers with ability and initiative by enabling such persons or entities to participate in the future success of the Company and its Affiliates and to associate their interests with those of the Company and its stockholders. The Plan is intended to permit the grant of both Options qualifying under Section 422 of the Code (“incentive stock options”) and Options not so qualifying, and the grant of SARs, Stock Awards, Performance Units, Other Equity-Based Awards and Incentive Awards in accordance with the Plan and any procedures that may be established by the Committee. No Option that is intended to be an incentive stock option shall be invalid for failure to qualify as an incentive stock option (and shall be considered a nonstatutory option in the event, and to the extent, of such failure). The proceeds received by the Company from the sale of Common Stock pursuant to this Plan shall be used for general corporate purposes.

ARTICLE III

ADMINISTRATION

The Plan shall be administered by the Committee. The Committee shall have authority to grant Awards upon such terms (not inconsistent with the provisions of this Plan), as the Committee may consider appropriate. Such terms may include, but are not limited to, conditions (in addition to those contained in this Plan) on the exercisability of all or any part of an Option or SAR or on the transferability or forfeitability of an Award. Notwithstanding any such conditions, the Committee may, in its discretion, accelerate the time at which any Option or SAR may be exercised, or the time at which a Stock Award or Other Equity-Based Award may become transferable or nonforfeitable or the time at which an Other Equity-Based Award, Performance Units or an Incentive Award may be settled. In addition, the Committee shall have complete authority to interpret all provisions of this Plan; to prescribe the form of Agreements; to adopt, amend and rescind rules and regulations pertaining to the administration of the Plan (including rules and regulations that require or allow Participants to defer the payment of benefits under the Plan); and to make all other determinations necessary or advisable for the administration of this Plan. The Committee’s determinations under the Plan (including without limitation, determinations of the individuals to receive awards under the Plan, the form, amount and timing of such awards, the terms and provisions of such awards and the Agreements) need not be uniform and may be made by the Committee selectively among individuals who receive, or are eligible to receive, awards under the Plan, whether or not such persons are similarly situated. The express grant in the Plan of any specific power to the Committee shall not be construed as limiting any power or authority of the Committee. Any decision made, or action taken, by the Committee in connection with the administration of this Plan shall be final and conclusive. The members of the Committee shall not be liable for any act done in good faith with respect to this Plan, any Agreement or any Award. All expenses of administering this Plan shall be borne by the Company.

ARTICLE IV

ELIGIBILITY

Any employee of the Company or an Affiliate (including a trade or business that becomes an Affiliate after the adoption of this Plan) and any member of the Board is eligible to participate in this Plan. In addition, any other individual who provides services to the Company or an Affiliate is eligible to participate in this Plan if the Committee, in its sole discretion, determines that the participation of such individual is in the best interest of the Company.

ARTICLE V

COMMON STOCK SUBJECT TO PLAN

5.01. Common Stock Issued

Upon the award of Common Stock pursuant to a Stock Award, an Other Equity-Based Award or in settlement of an Incentive Award or Performance Units, the Company may deliver to the Participant shares of Common Stock from its treasury shares or authorized but unissued Common Stock. Upon the exercise of any Option, SAR or Other Equity-Based Award denominated in Common Stock, the Company may deliver to the Participant (or the Participant's broker if the Participant so directs), shares of Common Stock from its treasury shares or authorized but unissued Common Stock.

5.02. Aggregate Limit

(a) The maximum aggregate number of shares of Common Stock that may be issued under this Plan pursuant to the exercise of Options and SARs, the grant of Stock Awards or Other Equity-Based Awards and the settlement of Incentive Awards and Performance Units is equal to 4,000,000 shares.

(b) The maximum number of shares of Common Stock that may be issued under this Plan in accordance with Section 5.02(a) shall be subject to adjustment as provided in Article XII.

(c) All of the shares of Common Stock that may be issued under this Plan may be issued in the form of incentive stock options or Corresponding SARs that are related to incentive stock options.

5.03. Reallocation of Shares

If any Award expires, is forfeited or is terminated without having been exercised or is paid in cash without delivery of Common Stock, then any shares of Common Stock covered by such lapsed, cancelled, expired, unexercised or cash-settled portion of such Award or grant shall be available for the grant or settlement of other Awards under this Plan. Any shares of Common Stock tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any Award shall not increase the number of shares available for future grants of Awards. If shares of Common Stock are issued in settlement of an SAR, the number of shares of Common Stock available under the Plan shall be reduced by the number of shares of Common Stock for which the SAR was exercised rather than the number of shares of Common Stock issued in settlement of the SAR. To the extent permitted by applicable law or the rules of any exchange on which the shares of Common Stock are listed for trading, shares of Common Stock issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any Affiliate shall not reduce the number of shares of Common Stock available for issuance under the Plan.

5.04. Individual Award Limit

No individual may be granted Awards in any calendar year covering, or with respect to, more than 250,000 shares of Common Stock. The preceding sentence shall not apply to an Incentive Award that is not granted with reference to a number of shares of Common Stock and that will be settled in cash.

ARTICLE VI

OPTIONS

6.01. Award

In accordance with the provisions of Article IV, the Committee will designate each individual to whom an Option is to be granted and will specify the number of shares of Common Stock covered by such Awards; provided, however, that an Option may be granted only to an individual who provides direct services to the Company or an Affiliate.

6.02. Option Price

The price per share of Common Stock purchased on the exercise of an Option shall be determined by the Committee on the date of grant, but shall not be less than the Fair Market Value on the date the Option is granted. Notwithstanding the preceding sentence, the price per share of Common Stock purchased on the exercise of any Option that is an incentive stock option granted to an individual who is a Ten Percent Stockholder on the date such option is granted, shall not be less than one hundred ten percent (110%) of the Fair Market Value on the date the Option is granted. Except as provided in Article XII, the price per share of an outstanding Option may not be reduced (by amendment, cancellation and new grant or otherwise) without the approval of stockholders.

6.03. Maximum Option Period

The maximum period in which an Option may be exercised shall be determined by the Committee on the date of grant except that no Option shall be exercisable after the expiration of ten years from the date such Option was granted. In the case of an incentive stock option granted to a Participant who is a Ten Percent Stockholder on the date of grant, such Option shall not be exercisable after the expiration of five years from the date of grant. The terms of any Option may provide that it is exercisable for a period less than such maximum period.

6.04. Nontransferability

Except as provided in Section 6.05, each Option granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. In the event of any transfer of an Option (by the Participant or his transferee), the Option and any Corresponding SAR that relates to such Option must be transferred to the same person or persons or entity or entities. Except as provided in Section 6.05, during the lifetime of the Participant to whom the Option is granted, the Option may be exercised only by the Participant. No right or interest of a Participant in any Option shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

6.05. Transferable Options

Notwithstanding anything to the contrary in Section 6.04, if the Agreement provides, an Option that is not an incentive stock option may be transferred by a Participant to the Participant's children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners, on such terms and conditions as may be permitted under Rule 16b-3 under the Exchange Act as in effect from time to time. The holder of an Option transferred pursuant to this Section shall be bound by the same terms and conditions that governed the Option during the period that it was held by the Participant; provided, however, that such transferee may not transfer the Option except by will or the laws of descent and distribution. In the event of any transfer of an Option (by the Participant or his transferee), the Option and any Corresponding SAR that relates to such Option must be transferred to the same person or persons or entity or entities. Notwithstanding the foregoing, an Option may not be transferred for consideration absent stockholder approval.

6.06. Employee Status

For purposes of determining the applicability of Section 422 of the Code (relating to incentive stock options), or in the event that the terms of any Option provide that it may be exercised only during employment or continued service or within a specified period of time after termination of employment or continued service, the Committee may decide to what extent leaves of absence for governmental or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment or service.

6.07. Exercise

Subject to the provisions of this Plan and the applicable Agreement, an Option may be exercised in whole at any time or in part from time to time at such times and in compliance with such requirements as the Committee shall determine; provided, however, that incentive stock options (granted under the Plan and all plans of the Company and its Affiliates) may not be first exercisable in a calendar year for shares of Common Stock having a Fair Market Value (determined as of the date an Option is granted) exceeding \$100,000. An Option granted under this Plan may be exercised with respect to any number of whole shares less than the full number for which the Option could be exercised. A partial exercise of an Option shall not affect the right to exercise the Option from time to time in accordance with this Plan and the applicable Agreement with respect to the remaining shares subject to the Option. The exercise of an Option shall result in the termination of any Corresponding SAR to the extent of the number of shares with respect to which the Option is exercised.

6.08. Payment

Subject to rules established by the Committee and unless otherwise provided in an Agreement, payment of all or part of the Option price may be made in cash, certified check, by tendering shares of Common Stock (or by attestation of ownership of Common Stock), by a broker-assisted cashless exercise or in such other form or manner acceptable to the Committee. If shares of Common Stock are used to pay all or part of the Option price, the sum of the cash and cash equivalent and the date of exercise Fair Market Value of the shares surrendered must not be less than the Option price of the shares for which the Option is being exercised.

6.09. Stockholder Rights

No Participant shall have any rights as a stockholder with respect to the shares of Common Stock subject to an Option until the date of exercise of such Option.

6.10. Disposition of Shares

A Participant shall notify the Company of any sale or other disposition of shares of Common Stock acquired pursuant to an Option that was an incentive stock option if such sale or disposition occurs (i) within two years of the grant of an Option or (ii) within one year of the issuance of the shares of Common Stock to the Participant. Such notice shall be in writing and directed to the Secretary of the Company.

ARTICLE VII

SARS

7.01. Award

In accordance with the provisions of Article IV, the Committee will designate each individual to whom SARs are to be granted and will specify the number of shares of Common Stock covered by such Awards; provided, however, that an SAR may be granted only to an individual who provides direct services to the Company or an Affiliate. No Participant may be granted Corresponding SARs (under the Plan and all plans of the Company and its Affiliates) that are related to incentive stock options which are first exercisable in any calendar year for shares of Common Stock having an aggregate Fair Market Value (determined as of the date the related Option is granted) that exceeds \$100,000.

7.02. Maximum SAR Period

The term of each SAR shall be determined by the Committee on the date of grant, except that no SAR shall have a term of more than ten years from the date of grant. In the case of a Corresponding SAR that is related to an incentive stock option granted to a Participant who is a Ten Percent Stockholder on the date of grant, such Corresponding SAR shall not be exercisable after the expiration of five years from the date of grant. The terms of any SAR may provide that it has a term that is less than such maximum period.

7.03. Nontransferability

Except as provided in Section 7.04, each SAR granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. In the event of any such transfer, a Corresponding SAR and the related Option must be transferred to the same person or persons or entity or entities. Except as provided in Section 7.04, during the lifetime of the Participant to whom the SAR is granted, the SAR may be exercised only by the Participant. No right or interest of a Participant in any SAR shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

7.04. Transferable SARs

Notwithstanding anything to the contrary in Section 7.03, if the Agreement provides, an SAR, other than a Corresponding SAR that is related to an incentive stock option, may be transferred by a Participant to the Participant's children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners, on such terms and conditions as may be permitted under Rule 16b-3 under the Exchange Act as in effect from time to time. The holder of an SAR transferred pursuant to this Section shall be bound by the same terms and conditions that governed the SAR during the period that it was held by the Participant; provided, however, that such transferee may not transfer the SAR except by will or the laws of descent and distribution. In the event of any transfer of a Corresponding SAR (by the Participant or his transferee), the Corresponding SAR and the related Option must be transferred to the same person or person or entity or entities. Notwithstanding the foregoing, in no event may an SAR be transferred for consideration absent stockholder approval.

7.05. Exercise

Subject to the provisions of this Plan and the applicable Agreement, an SAR may be exercised in whole at any time or in part from time to time at such times and in compliance with such requirements as the Committee shall determine; provided, however, that a Corresponding SAR that is related to an incentive stock option may be exercised only to the extent that the related Option is exercisable and only when the Fair Market Value exceeds the option price of the related Option. An SAR granted under this Plan may be exercised with respect to any number of whole shares less than the full number for which the SAR could be exercised. A partial exercise of an SAR shall not affect the right to exercise the SAR from time to time in accordance with this Plan and the applicable Agreement with respect to the remaining shares subject to the SAR. The exercise of a Corresponding SAR shall result in the termination of the related Option to the extent of the number of shares with respect to which the SAR is exercised.

7.06. Employee Status

If the terms of any SAR provide that it may be exercised only during employment or continued service or within a specified period of time after termination of employment or continued service, the Committee may decide to what extent leaves of absence for governmental or military service, illness, temporary disability or other reasons shall not be deemed interruptions of continuous employment or service.

7.07. Settlement

At the Committee's discretion, the amount payable as a result of the exercise of an SAR may be settled in cash, shares of Common Stock, or a combination of cash and Common Stock. No fractional share will be deliverable upon the exercise of an SAR but a cash payment will be made in lieu thereof.

7.08. Stockholder Rights

No Participant shall, as a result of receiving an SAR, have any rights as a stockholder of the Company or any Affiliate until the date that the SAR is exercised and then only to the extent that the SAR is settled by the issuance of shares of Common Stock.

ARTICLE VIII

STOCK AWARDS

8.01. Award

In accordance with the provisions of Article IV, the Committee will designate each individual to whom a Stock Award is to be made and will specify the number of shares of Common Stock covered by such Awards.

8.02. Vesting

The Committee, on the date of the award, may prescribe that a Participant's rights in a Stock Award shall be forfeitable or otherwise restricted for a period of time or subject to such conditions as may be set forth in the Agreement. By way of example and not of limitation, the Committee may prescribe that a Participant's rights in a Stock Award shall be forfeitable or otherwise restricted subject to the attainment of objectives stated with reference to the Company's, an Affiliate's or a business unit's attainment of objectives stated with respect to performance criteria established by the Committee, including criteria or objectives stated with reference to one or more Performance Measures.

8.03. Employee Status

In the event that the terms of any Stock Award provide that shares may become transferable and nonforfeitable thereunder only after completion of a specified period of employment or continuous service, the Committee may decide in each case to what extent leaves of absence for governmental or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment or service.

8.04. Stockholder Rights

Unless otherwise specified in accordance with the applicable Agreement, while the shares of Common Stock granted pursuant to the Stock Award may be forfeited or are nontransferable, a Participant will have all rights of a stockholder with respect to a Stock Award, including the right to receive dividends and vote the shares; provided, however, that the Committee may prescribe that dividends paid on a Stock Award shall be accumulated and paid when, and to the extent that, the Stock Award becomes nonforfeitable and transferable. In addition, during the period that the shares of Common Stock granted pursuant to a Stock Award are forfeitable or nontransferable (i) a Participant may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of shares granted pursuant to a Stock Award, (ii) the Company shall retain custody of the certificates evidencing shares granted pursuant to a Stock Award, and (iii) the Participant will deliver to the Company a stock power, endorsed in blank, with respect to each Stock Award. The limitations set forth in the preceding sentence shall not apply after the shares granted under the Stock Award are transferable and are no longer forfeitable.

ARTICLE IX

PERFORMANCE UNIT AWARDS

9.01. Award

In accordance with the provisions of Article IV, the Committee will designate each individual to whom Performance Units are granted and will specify the number of shares of Common Stock covered by such Awards. The Committee also will specify whether Dividend Equivalent Rights are granted in conjunction with the Performance Units.

9.02. Earning the Award

The Committee, on the date of the grant of an award, shall prescribe any terms and conditions that must be satisfied in order for the Performance Units to be earned. By way of example and not of limitation, the Committee may prescribe that the Performance Units will be earned, and the Participant will be entitled to receive payment pursuant to the Performance Units, only upon the satisfaction of performance objectives and such other criteria as may be prescribed by the Committee including criteria or objectives stated with reference to one or more Performance Measures.

9.03. Payment

In the discretion of the Committee, the amount payable when Performance Units are earned may be settled in cash, by the issuance of shares of Common Stock or a combination thereof. A fractional share of Common Stock shall not be deliverable when Performance Units are earned, but a cash payment will be made in lieu thereof. The amount payable when Performance Units are earned shall be paid in a lump sum.

9.04. Stockholder Rights

A Participant, as a result of receiving Performance Units, shall not have any rights as a stockholder until, and then only to the extent that, the Performance Units are earned and settled in Common Stock. After Performance Units are earned and settled in shares of Common Stock, a Participant will have all the rights of a stockholder as described in Section 8.05.

9.05. Nontransferability

Except as provided in Section 9.06, Performance Units granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. No right or interest of a Participant in any Performance Units shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

9.06. Transferable Performance Units

Notwithstanding anything to the contrary in Section 9.05, if the Agreement provides, Performance Units may be transferred by a Participant to the Participant's children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners, on such terms and conditions as may be permitted under Rule 16b-3 under the Exchange Act as in effect from time to time. The holder of Performance Units transferred pursuant to this Section shall be bound by the same terms and conditions that governed the Performance Units during the period that they were held by the Participant; provided, however that such transferee may not transfer Performance Units except by will or the laws of descent and distribution. Notwithstanding the foregoing, in no event may a Performance Unit be transferred for consideration absent stockholder approval.

9.07. Employee Status

In the event that the terms of any Performance Unit provides that no payment will be made unless the Participant completes a stated period of employment or continued service, the Committee may decide to what extent leaves of absence for government or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment or service.

ARTICLE X

OTHER EQUITY-BASED AWARDS

10.01. Award

In accordance with the provisions of Article IV, the Committee will designate each individual to whom an Other Equity-Based Award is to be made and will specify the number of shares of Common Stock or other equity interests covered by such Awards. The Committee also will specify whether Dividend Equivalent Rights are granted in conjunction with the Other Equity-Based Award.

10.02. Terms and Conditions

The Committee, at the time an Other Equity-Based Award is made, shall specify the terms and conditions which govern the award. The terms and conditions of an Other Equity-Based Award may prescribe that a Participant's rights in the Other Equity-Based Award shall be forfeitable, nontransferable or otherwise restricted for a period of time or subject to such other conditions as may be determined by the Committee, in its discretion and set forth in the Agreement including the attainment of objectives stated with reference to one or more Performance Measures. Other Equity-Based Awards may be granted to Participants, either alone or in addition to other awards granted under the Plan, and Other Equity-Based Awards may be granted in the settlement of other Awards granted under the Plan.

10.03. Payment or Settlement

Other Equity-Based Awards valued in whole or in part by reference to, or otherwise based on, shares of Common Stock, shall be payable or settled in Common Stock, cash or a combination of Common Stock and cash, as determined by the Committee in its discretion. Other Equity-Based Awards denominated as equity interests other than shares of Common Stock may be paid or settled in shares or units of such equity interests or cash or a combination of both as determined by the Committee in its discretion.

10.04. Employee Status

If the terms of any Other Equity-Based Award provides that it may be earned or exercised only during employment or continued service or within a specified period of time after termination of employment or continued service, the Committee may decide to what extent leaves of absence for governmental or military service, illness, temporary disability or other reasons shall not be deemed interruptions of continuous employment or service.

10.05. Stockholder Rights

A Participant, as a result of receiving an Other Equity-Based Award, shall not have any rights as a stockholder until, and then only to the extent that, the Other Equity-Based Award is earned and settled in shares of Common Stock.

ARTICLE XI

INCENTIVE AWARDS

11.01. Award

In accordance with the provisions of Article IV, the Committee will designate each individual to whom an Incentive Award is to be made. The maximum amount payable to a Participant in any calendar year under Incentive Awards that are not granted with reference to a number of shares of Common Stock and that will be settled in cash is \$500,000.

11.02. Terms and Conditions

The Committee, at the time an Incentive Award is made, shall specify the terms and conditions that govern the award. Such terms and conditions may prescribe that the Incentive Award shall be earned only to the extent that the Participant, the Company or an Affiliate, during a performance period of at least one year, achieves objectives stated with reference to one or more performance measures or criteria prescribed by the Committee, including objectives stated with respect to one or more Performance Measures.

11.03. Nontransferability

Incentive Awards granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. No right or interest of a Participant in an Incentive Award shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

11.04. Employee Status

If the terms of an Incentive Award provide that a payment will be made thereunder only if the Participant completes a stated period of employment or continued service, the Committee may decide to what extent leaves of absence for governmental or military service, illness, temporary disability or other reasons shall not be deemed interruptions of continuous employment or service.

11.05. Settlement

An Incentive Award that is earned shall be settled with a single lump sum payment which may be in cash, Common Stock or a combination of cash and Common Stock, as determined by the Committee.

11.06. Stockholder Rights

No Participant shall, as a result of receiving an Incentive Award, have any rights as a stockholder of the Company or an Affiliate until the date that the Incentive Award is settled and then only to the extent that the Incentive Award is settled by the issuance of shares of Common Stock.

ARTICLE XII

ADJUSTMENT UPON CHANGE IN COMMON STOCK

The maximum number of shares of Common Stock that may be issued under the Plan, the limitation of Section 5.04 on the Awards that may be granted to any Participant and the terms of outstanding Awards shall be adjusted as the Board determines is equitably required in the event that (i) the Company (a) effects one or more nonreciprocal transactions between the Company and its stockholders such as a stock dividend, extra-ordinary cash dividend, stock split-up, subdivision or consolidation of shares that affects the number or kind of shares of Common Stock (or other securities of the Company) or the Fair Market Value (or the value of other Company securities) and causes a change in the Fair Market Value of the Common Stock subject to outstanding awards or (b) engages in a transaction to which Section 424 of the Code applies or (ii) there occurs any other event which, in the judgment of the Board necessitates such action. Any determination made under this Article XII by the Board shall be nondiscretionary, final and conclusive.

The issuance by the Company of shares of any class, or securities convertible into shares of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the maximum number of shares that may be issued under the Plan, the limitation of Section 5.04 on the Awards that may be granted to any Participant or the terms of Awards.

The Committee may make Awards in substitution for performance shares, phantom shares, stock awards, stock options, stock appreciation rights, or similar awards held by an individual who becomes an employee of the Company or an Affiliate in connection with a transaction described in the first paragraph of this Article XII. Notwithstanding any provision of the Plan, the terms of such substituted Awards shall be as the Committee, in its discretion, determines is appropriate.

ARTICLE XIII

COMPLIANCE WITH LAW AND APPROVAL OF REGULATORY BODIES

No Option or SAR shall be exercisable, no shares of Common Stock shall be issued, no certificates for shares of Common Stock shall be delivered, and no payment shall be made under this Plan except in compliance with all applicable federal and state laws and regulations (including, without limitation, withholding tax requirements), any listing agreement to which the Company is a party, and the rules of all domestic stock exchanges on which the Company's shares may be listed. The Company shall have the right to rely on an opinion of its counsel as to such compliance. Any certificate issued to evidence shares of Common Stock when a Stock Award is granted, a Performance Unit, Incentive Award or Other Equity-Based Award is settled or for which an Option or SAR is exercised may bear such legends and statements as the Committee may deem advisable to assure compliance with federal and state laws and regulations. No Option or SAR shall be exercisable, no Stock Award or Performance Unit shall be granted, no shares of Common Stock shall be issued, no certificate for shares of Common Stock shall be delivered, and no payment shall be made under this Plan until the Company has obtained such consent or approval as the Committee may deem advisable from regulatory bodies having jurisdiction over such matters.

ARTICLE XIV

GENERAL PROVISIONS

14.01. Effect on Employment and Service

Neither the adoption of this Plan, its operation, nor any documents describing or referring to this Plan (or any part thereof), shall confer upon any individual or entity any right to continue in the employ or service of the Company or an Affiliate or in any way affect any right and power of the Company or an Affiliate to terminate the employment or service of any individual or entity at any time with or without assigning a reason therefor.

14.02. Unfunded Plan

This Plan, insofar as it provides for grants, shall be unfunded, and the Company shall not be required to segregate any assets that may at any time be represented by grants under this Plan. Any liability of the Company to any person with respect to any grant under this Plan shall be based solely upon any contractual obligations that may be created pursuant to this Plan. No such obligation of the Company shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Company.

14.03. Rules of Construction

Headings are given to the articles and sections of this Plan solely as a convenience to facilitate reference. The reference to any statute, regulation or other provision of law shall be construed to refer to any amendment to or successor of such provision of law.

14.04. Withholding Taxes

Each Participant shall be responsible for satisfying any income and employment tax withholding obligations attributable to participation in the Plan. Unless otherwise provided by the Agreement, any such withholding tax obligations may be satisfied in cash (including from any cash payable in settlement of Performance Units, SARs, Incentive Awards or Other Equity-Based Award) or a cash equivalent acceptable to the Committee. Except to the extent prohibited by Treasury Regulation Section 1.409A-3(j), any minimum statutory federal, state, district or city withholding tax obligations also may be satisfied (a) by surrendering to the Company shares of Common Stock previously acquired by the Participant; (b) by authorizing the Company to withhold or reduce the number of shares of Common Stock otherwise issuable to the Participant upon the exercise of an Option or SAR, the settlement of a Performance Unit, Incentive Award or an Other Equity-Based Award (if applicable) or the grant or vesting of a Stock Award; or (c) by any other method as may be approved by the Committee. If shares of Common Stock are used to pay all or part of such withholding tax obligation, the Fair Market Value of the shares surrendered, withheld or reduced shall be determined as of the day the tax liability arises and the number of shares of Common Stock which may be withheld or surrendered shall be limited to the number of shares which have a Fair Market Value on the day preceding the date of withholding equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income.

14.05. REIT Status

The Plan shall be interpreted and construed in a manner consistent with the Company's status as a REIT. No award shall be granted or awarded, and with respect to any award granted under the Plan, such award shall not vest, be exercisable or be settled (i) to the extent that the grant, vesting, exercise or settlement could cause the Participant or any other person to be in violation of the capital stock ownership limit or aggregate capital stock ownership limit prescribed by the Company's Articles of Incorporation or Charter, as amended from time to time) or (ii) if, in the discretion of the Committee, the grant, vesting, exercise or settlement of the award could impair the Company's status as a REIT.

14.06. Code Section 409A

All Awards made under this Plan are intended to comply with, or otherwise be exempt from, Section 409A of the Code (“Section 409A”), after giving effect to the exemptions in Treasury Regulation sections 1.409A-1(b)(3) through (b)(12). This Plan and all Agreements shall be administered, interpreted and construed in a manner consistent with Section 409A. If any provision of this Plan or any Agreement is found not to comply with, or otherwise not be exempt from, the provisions of Section 409A, it shall be modified and given effect, in the sole discretion of the Committee and without requiring the Participant’s consent, in such manner as the Committee determines to be necessary or appropriate to comply with, or effectuate an exemption from, Section 409A. Each payment under an Award granted under this Plan shall be treated as a separate identified payment for purposes of Section 409A.

If a payment obligation under an Award or an Agreement arises on account of the Participant’s termination of employment and such payment obligation constitutes “deferred compensation” (as defined under Treasury Regulation section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulations sections 1.409A-1(b)(3) through (b)(12)), it shall be payable only after the Participant’s “separation from service” (as defined under Treasury Regulation section 1.409A-1(h)); provided, however, that if the Participant is a “specified employee” (as defined under Treasury Regulation section 1.409A-1(i)), any such payment that is scheduled to be paid within six months after such separation from service shall accrue without interest and shall be paid on the first day of the seventh month beginning after the date of the Participant’s separation from service or, if earlier, within fifteen days after the appointment of the personal representative or executor of the Participant’s estate following the Participant’s death.

ARTICLE XV

CHANGE IN CONTROL

15.01. Impact of Change in Control.

Upon a Change in Control, the Committee is authorized to cause (i) outstanding Options and SARs to become fully exercisable, (ii) outstanding Stock Awards to become transferable and nonforfeitable and (iii) outstanding Performance Units, Incentive Awards and Other Equity-Based Awards to become earned and nonforfeitable in their entirety.

15.02. Assumption Upon Change in Control.

In the event of a Change in Control, the Committee, in its discretion and without the need for a Participant's consent, may provide that an outstanding Award shall be assumed by, or a substitute award granted by, the surviving entity in the Change in Control. Such assumed or substituted award shall be of the same type of award as the original Award being assumed or substituted. The assumed or substituted award shall have a value, as of the Control Change Date, that is substantially equal to the value of the original Award (or the difference between the Fair Market Value and the option price or Initial Value in the case of Options and SARs) as the Committee determines is equitably required and such other terms and conditions as may be prescribed by the Committee.

15.03. Cash-Out Upon Change in Control.

In the event of a Change in Control, the Committee, in its discretion and without the need of a Participant's consent, may provide that each Award shall be cancelled in exchange for a payment. The payment may be in cash, shares of Common Stock or other securities or consideration received by stockholders in the Change in Control transaction or, in the case of an Incentive Award, the entire amount that can be paid under the Award (and, if the amount payable in settlement of an Incentive Award is based on the value of Common Stock, that value shall be the price per share received by stockholders for each share of Common Stock in the Change in Control transaction). Except as provided in the preceding sentence with respect to Incentive Awards, the amount of the payment shall be an amount that is substantially equal to (i) the amount by which the price per share received by stockholders in the Change in Control exceeds the option price or Initial Value in the case of an Option and SAR, or (ii) the price per share received by stockholders for each share of Common Stock subject to a Stock Award, Performance Unit or Other Equity-Based Award or (iii) the value of the other securities or property in which the Performance Unit or Other Equity-Based award is denominated. If the option price or Initial Value exceeds the price per share received by stockholders in the Change in Control transaction, the Option or SAR may be cancelled under this Section 15.03 without any payment to the Participant.

15.04. Limitation of Benefits

The benefits that a Participant may be entitled to receive under this Plan and other benefits that a Participant is entitled to receive under other plans, agreements and arrangements (which, together with the benefits provided under this Plan, are referred to as "Payments"), may constitute Parachute Payments (as hereinafter defined), that are subject to Code Sections 280G and 4999. As provided in this Section 15.04, the Parachute Payments will be reduced pursuant to this Section 15.04 if, and only to the extent that, a reduction will allow a Participant to receive a greater Net After Tax Amount (as hereinafter defined), than a Participant would receive absent a reduction.

The Accounting Firm (as hereinafter defined), will first determine the amount of any Parachute Payments that are payable to a Participant. The Accounting Firm also will determine the Net After Tax Amount attributable to the Participant's total Parachute Payments.

The Accounting Firm will next determine the largest amount of Payments that may be made to the Participant without subjecting the Participant to tax under Code Section 4999 (the "Capped Payments"). Thereafter, the Accounting Firm will determine the Net After Tax Amount attributable to the Capped Payments.

The Participant will receive the total Parachute Payments or the Capped Payments, whichever provides the Participant with the higher Net After Tax Amount. If the Participant will receive the Capped Payments, the total Parachute Payments will be adjusted by first reducing the amount of any benefits under this Plan or any other plan, agreement or arrangement that are not subject to Section 409A of the Code (with the source of the reduction to be directed by the Participant) and then by reducing the amount of any benefits under this Plan or any other plan, agreement or arrangement that are subject to Section 409A of the Code (with the source of the reduction to be directed by the Participant) in a manner that results in the best economic benefit to the Participant (or, to the extent economically equivalent, in a pro rata manner). The Accounting Firm will notify the Participant and the Company if it determines that the Parachute Payments must be reduced to the Capped Payments and will send the Participant and the Company a copy of its detailed calculations supporting that determination.

As a result of the uncertainty in the application of Code Sections 280G and 4999 at the time that the Accounting Firm makes its determinations under this Section 15.04, it is possible that amounts will have been paid or distributed to the Participant that should not have been paid or distributed under this Section 15.04 ("Overpayments"), or that additional amounts should be paid or distributed to the Participant under this Section 15.04 ("Underpayments"). If the Accounting Firm determines, based on either the assertion of a deficiency by the Internal Revenue Service against the Company or the Participant, which assertion the Accounting Firm believes has a high probability of success or controlling precedent or substantial authority, that an Overpayment has been made, the Participant must repay such amount to the Company, without interest; provided, however, that no loan will be deemed to have been made and no amount will be payable by the Participant to the Company unless, and then only to the extent that, the deemed loan and payment would either reduce the amount on which the Participant is subject to tax under Code Section 4999 or generate a refund of tax imposed under Code Section 4999. If the Accounting Firm determines, based upon controlling precedent or substantial authority, that an Underpayment has occurred, the Accounting Firm will notify the Participant and the Company of that determination and the amount of that Underpayment will be paid to the Participant promptly by the Company.

For purposes of this Section 15.04, the term “Accounting Firm” means the independent accounting firm engaged by the Company immediately before the Control Change Date. For purposes of this Section 15.04, the term “Net After Tax Amount” means the amount of any Parachute Payments or Capped Payments, as applicable, net of taxes imposed under Code Sections 1, 3101(b) and 4999 and any State or local income taxes applicable to the Participant on the date of payment. The determination of the Net After Tax Amount shall be made using the highest combined effective rate imposed by the foregoing taxes on income of the same character as the Parachute Payments or Capped Payments, as applicable, in effect on the date of payment. For purposes of this Section 15.04, the term “Parachute Payment” means a payment that is described in Code Section 280G(b)(2), determined in accordance with Code Section 280G and the regulations promulgated or proposed thereunder.

Notwithstanding any other provision of this Section 15.04, the limitations and provisions of this Section 15.04 shall not apply to any Participant who, pursuant to an agreement with the Company or the terms of another plan maintained by the Company, is entitled to indemnification for any liability that the Participant may incur under Code Section 4999. In addition, nothing in this Section 15.04 shall limit or otherwise supersede the provisions of any other agreement or plan which provides that a Participant cannot receive Payments in excess of the Capped Payments.

ARTICLE XVI

AMENDMENT

The Board may amend or terminate this Plan at any time; provided, however, that no amendment may adversely impair the rights of Participants with respect to outstanding Awards. In addition, an amendment will be contingent on approval of the Company’s stockholders if such approval is required by law or the rules of any exchange on which the Common Stock is listed or if the amendment would materially increase the benefits accruing to Participants under the Plan, materially increase the aggregate number of shares of Common Stock that may be issued under the Plan or reduce the option price of an outstanding Option or reduce the Initial Value of an outstanding SAR (in each case other than an adjustment pursuant to Article XII) or materially modify the requirements as to eligibility for participation in the Plan.

ARTICLE XVII

DURATION OF PLAN

No Award may be granted under this Plan after the day before the tenth anniversary of the earlier of the date the Plan is adopted by the Board or the date the Plan is approved by stockholders in accordance with Article XVIII. Awards granted before such date shall remain valid in accordance with their terms.

ARTICLE XVIII

EFFECTIVE DATE OF PLAN

Awards may be granted under this Plan on and after the date that the Plan is adopted by the Board, provided that no Award shall be exercisable, vested or settled unless, within twelve months after the Board's adoption of the Plan, the Plan is approved by holders of a majority of the outstanding Common Stock entitled to vote and present or represented by properly executed and delivered proxies at a duly held stockholders' meeting at which a quorum is present or by unanimous consent of the stockholders.