

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made by and between Dominion Savings Bank, FSB (OTS No. 06985) ("Association"), a Federally chartered stock association, having its main office located at Front Royal, Virginia, for itself and any wholly owned or partly owned subsidiary, and the Director of the Office of Thrift Supervision ("OTS"). The OTS is an office within the United States Department of the Treasury, having its principal executive office located at 1700 G Street, N.W., Washington, D.C., acting through its Southeast Regional Director or his successor or designee ("Regional Director").

WHEREAS, the OTS is the appropriate Federal banking agency with authority over the Association;

WHEREAS, based on the Report of Examination ("ROE"), dated February 8, 1999, the OTS is of the opinion that the Association has engaged in acts and practices that are unsafe and unsound, in that they violate standards for safety and soundness adopted by the OTS in 12 C.F.R. Part 570, Appendix B, pursuant to 12 U.S.C. §1831p-1, and are not in compliance with Year 2000 Guidance Documents relating to the Year 2000 Computer Problem, thereby providing grounds for the initiation of administrative enforcement proceedings against the Association by the OTS;

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of administrative enforcement proceedings against the Association, but is willing to forbear at this time from the initiation of such proceedings against the Association as long as the Association is in compliance with the provisions of this Agreement; and

WHEREAS, the Association, acting through its Board of Directors ("BOD"), without admitting or denying any violations of laws, regulations, or standards, and/or unsafe and unsound practices, wishes to cooperate with the OTS and to evidence its intent to: (i) comply with all applicable laws, regulations and standards; and (ii) engage in safe and sound practices, and to avoid the initiation of such administrative proceedings by the OTS.

NOW, THEREFORE, in consideration of the above-stated premises and the mutual undertakings set forth herein, the parties hereto agree as follows:

I. COMPLIANCE WITH PRIOR ORDER

The Association shall continue to comply in all respects with the Order to Cease and Desist, OTS No. ATL-96-3, executed February 26, 1996, ("1996 Order") by the Southeast Regional Director and stipulated to by the Association.

2. COMPLIANCE WITH LAWS AND REGULATIONS

The Association must take all necessary and appropriate actions to achieve compliance with this Agreement and the following laws, regulations, and standards:

- a. 12 U.S.C. § 1831p-1
- b. 12 C.F.R. Part 570, Appendix B
- c. 12 C.F.R. §563.170(c)

3. YEAR 2000 PLAN

- a) By April 30, 1999, the BOD must revise and approve its plan ("Year 2000 Plan") for ascertaining that all Electronic Systems utilized by the Association, or upon which the Association depends for the conduct of its business, are able to perform correctly all automated processing operations involving the Year 2000 Computer Problem and are tested to demonstrate such capability. The Year 2000 Plan must clearly identify accountability for reporting, monitoring, and notification of compliance and the failure to meet benchmarks or deadlines set forth in the Year 2000 Plan. At a minimum, the Association's revised Year 2000 Plan must address the following:
 - i) identification of resource requirements and individuals assigned to the Year 2000 Project, including the staffing requirement provided for in Paragraph 4 of this Agreement;
 - ii) appointment of an Association officer to be manage the Association's efforts toward achieving Year 2000 Readiness, and be responsible for compliance with all aspects of this Agreement;
 - iii) establishment of deadlines for the renovations and testing of mission-critical systems that will permit the Association to become Year 2000 Ready by July 31, 1999;
 - iv) establishment of a contingency plan in accordance with Paragraph 7 of this Agreement;
 - v) establishment of a due diligence program in accordance with Paragraph 6 of this Agreement;

- vi) development and implementation of a written testing plan for both internal and external systems, in accordance with Section II.D.1 of the October 15, 1998 Interim Interagency Guidelines Establishing Year 2000 Standards for Safety and Soundness; and
 - vii) verification of the adequacy of the testing process and validation of the testing results;
- b) In addition, the BOD shall take the following actions to revise, by no later than April 30, 1999, the Association's Year 2000 Assessment:
- i) Update the Association's inventory of all internal and external mission-critical systems to reflect the significant new business processes, associated hardware, software, and business relationships that will result from the conversion to the Information Technology Incorporated's Premier Financial Information System (the "In-House System") and track the progress of such systems in achieving Year 2000 Readiness;
 - ii) develop a legal assessment of licensing and maintenance agreements' restrictions to which the Association is or will be bound under the In-House System;
- c) As soon as practical after the conversion to the In-House System, and no later than July 31, 1999, the Association must have substantially completed the testing of internal mission-critical Electronic Systems. The Association must report to the OTS its testing completion, the results of the testing, and remediation for any system that fails a test no later than August 15, 1999.

4. HIRING OF OFFICER AND/OR CONSULTANT

Within 30 days of the Effective Date of this Agreement, the Association must hire and retain a qualified officer ("Officer") and/or consultant ("Consultant") to be responsible for the oversight and control of the Association's Electronic Systems and the Association's recordkeeping functions related to or dependent on such systems. The Officer or Consultant, at a minimum, must possess the experience and qualifications necessary to provide appropriate oversight over both the daily operation of the Association's Electronic Systems and the Association's related recordkeeping functions, and should possess either prior experience with in-house Electronic Systems, prior experience in internal project management, or direct experience working with the same or similar system as the Association's In-House System. Prior to hiring the Officer or engaging the Consultant, the Association must notify the Regional Director in writing of the proposed Officer's/Consultant's qualifications and employment/engagement conditions and terms. For so long as this Agreement remains in effect, the

Association must notify the Regional Director, in writing, of a change in the identity of, or the termination of, the Officer or Consultant. Prior to June 30, 2000, the Officer/Consultant may not be terminated unless an immediate replacement has been previously approved by the Regional Director. The Officer or Consultant must provide the BOD with a written monthly Electronic Systems report (the "MESR") on all significant developments related to the Association's conversion and ongoing operations of the In-House System, including any significant problems encountered with the In-House System operations or related recordkeeping function. The Officer's or Consultant's monthly report must be attached to the minutes of the BOD.

5. TRAINING OF PERSONNEL

Prior to the conversion to the In-House System, and for so long as this Agreement remains in effect, the Association must develop, implement, and follow a plan ("Training Plan") to ensure that an appropriate number of Association employees are fully trained and duly authorized to operate the Electronic Systems that are utilized by the Association. The Training Plan shall, at a minimum: i) provide for appropriate Association personnel to be trained in "A Series Operations" and "Supporting Microsoft Windows NT 4.0 Core Technologies;" and ii) provide for training to implement segregation of duties.

6. DUE DILIGENCE PROGRAM

- a) Within 30 days of the Effective Date of this Agreement, the Association must implement a due diligence program for all mission-critical systems software vendors and service providers to ensure the effective and timely completion of all testing that is needed to complete the validation phase of the Association's Year 2000 Plan, as described in this Agreement. Beginning on the Effective Date of this Agreement and no later than the date indicated below, the Association must ensure that all software vendors' products utilized by the Association are Year 2000 Ready by:
 - i) communicating, by April 30, 1999, with the Association's software vendors and service providers and conducting due diligence inquiries concerning their Year 2000 Readiness;
 - ii) reviewing and assessing, by May 15, 1999, all Year 2000 Readiness representations from the Association's software vendors and service providers regarding the Association's mission-critical systems;
 - iii) maintaining, beginning by May 15, 1999, written documentation of correspondence and conversations with the Association's software vendors and service providers regarding their ability to timely and effectively renovate external mission-critical systems that are not Year 2000 ready; and

- 22
- iv) implementing, by June 30, 1999, the Association's own appropriate internal testing or verification processes pertaining to each service provider's and software vendor's services and products to ensure that their systems and data function properly together.

7. CONTINGENCY PLANNING

By July 31, 1999, the Association must develop and implement an appropriate Contingency Plan ("Contingency Plan") for each mission-critical Electronic System and with respect to the possible disruption of the Association's Electronic Systems due to Year 2000 Computer Problems. In developing the provisions of the Contingency Plan, the Association must incorporate the guidance provided in Chapter 10 of the FFIEC Information System Examination Handbook, "Corporate Contingency Planning" and the Year 2000 Guidance Documents. The Contingency Plan must, at a minimum, be written in two parts. One part must provide policies in the event that the Association's In-House System and other mission-critical systems are not operational and Year 2000 Ready by July 31, 1999 (Part I). The second part must provide policies in the event that the Association's operations are disrupted by the Year 2000 Computer Problem other than through the malfunction of the Association's In-House System and other mission-critical systems (Part II).

- a) The Contingency Plan under Part I must include trigger dates for implementing alternative solutions should any entity, mission-critical system or product the Association is dependent upon (e.g., software vendors, service providers, in-house computer systems, or programs) fail to become Year 2000 Ready or fail to progress in a timely manner toward that goal;
- b) The Contingency Plan under Part II must contain provisions to:
- i) minimize disruptions to the Association and its operations if data are not received from an external source;
 - ii) minimize disruptions to the Association and its operations if invalid data are received from an external source;
 - iii) ensure support for business functions and processes that may be interrupted by the failure to achieve Year 2000 Readiness of a specific mission-critical system;
 - iv) limit losses to earnings and capital by addressing processes that may be interrupted by the failure to achieve Year 2000 Readiness, such as hardware, software, telecommunications, network and data recovery, back-up sources, and lines of credit;

22

- v) assess response capability of key contingency suppliers, Payment Systems Providers, Customers, service providers, and software vendors;
 - vi) create detailed, step-by-step procedural instructions to serve as a reference for personnel in the event of specific possible disruptions that could occur, such as loss of electrical power and loss of telecommunications, and establish the format for any manual ledgers or spreadsheets that will be maintained;
 - vii) require physical document control and information security requirements;
 - viii) evaluate periodically major Customers' Year 2000 Readiness efforts to determine if they are sufficient to avoid disruption of the Customers' operations that could significantly affect the Customers' creditworthiness; and
 - ix) evaluate the Association's potential liquidity needs, taking into account fund flows, and assumptions about the timing and magnitude of funds providers' Year 2000 Readiness efforts;
- c) With respect to both Parts I and II:
- i) the Contingency Plan should have separate components for separate mission-critical business functions and processes and identify the individuals responsible for initiating and managing the implementation of each component;
 - ii) identify mission-critical information systems and business functions (e.g. other financial institutions, counter parties, business partners, auditors, Customers, Payment Systems Providers, and suppliers) that may, if disrupted, expose the Association to abnormal risk;
 - iii) the feasibility of the Contingency Plan should be reviewed by someone independent of the Contingency Plan process;
 - iv) the Association must test its Contingency Plan and all of its mission-critical applications, and interfaces with third parties to determine adequacy under the Year 2000 Guidance Documents.

22 

8. PROBLEM LOG

By March 29, 1999, and for so long as this Agreement remains in effect, the Association must maintain in its files documentation reflecting the operational performance of the Electronic Systems that are utilized by the Association and the Association's recordkeeping functions related to or dependent on such systems ("Problem Log"). At a minimum, the Problem Log must include:

- a) a listing of problems with a description of the nature of every problem or failure in the operation of any Electronic Systems or related or dependent recordkeeping functions utilized by the Association and indicating whether the problem is attributable to operator error, inadequate staffing, inadequate training, or otherwise;
- b) the date and time at which such problem or failure is corrected;
- c) a description of the steps taken to correct such problem or failure; and
- d) a description of the impact of such problem or failure upon the conduct of the Association's business.

Each problem or failure in the operation of the Electronic Systems utilized by the Association must be recorded in the Problem Log within 24 hours after the occurrence of such problem or failure. The Problem Log must be made available to the OTS Examiners upon request.

9. CUSTOMER AWARENESS PROGRAM

By May 31, 1999, the Association must develop and implement a customer awareness program ("Program") that responds to questions from and communicates with customers concerning Year 2000 matters. The Program must proactively, fairly and accurately inform the Association's customers of efforts to address business risks arising from the Year 2000 Computer Problem. The Program also must establish effective ways of communicating with customers about the status of the Association's Year 2000 readiness. The awareness program should include, but not be limited to, a description of the Year 2000 Computer Problem, information that addresses customer expectations concerning their relationship with the Association, a detailed description of the Association's plan to become Year 2000 Ready, and a description of contingency plans should the Association encounter the need to resume business after disruptions due to the Year 2000 Computer Problem. At a minimum, the Association must designate one employee at each Association office to respond to public questions regarding the Year 2000 Computer Problem, and the means by which the Association will become Year 2000 Ready. The Program must establish specific dates by which the Association will communicate such information to its customers, as well as the manner of such communication.

10. DIRECTOR RESPONSIBILITY

Notwithstanding the requirements of this Agreement including the obligation of the BOD to submit various matters to the Regional Director for the purpose of receiving his approval, non-objection or notice of acceptability, such regulatory oversight does not negate or supplant each individual director's continuing fiduciary duty to his Association. At all times, the BOD must have the ultimate responsibility for overseeing the safe and sound operation of the Association, including compliance with the determinations of the Regional Director as required by this Agreement.

11. COMPLIANCE WITH AGREEMENT

- a) The BOD, officers, employees, and any institution-affiliated parties of the Association must take immediate action to cause the Association to comply with the terms of this Agreement and must take all actions necessary and/or appropriate thereafter to cause the Association to continue to carry out the provisions of this Agreement;
- b) The BOD, on a monthly basis, must adopt a resolution ("Compliance Resolution") formally resolving that, following a diligent inquiry of relevant information, to the best of the BOD's knowledge and belief, during the immediately preceding calendar month, the Association has complied with each provision of this Agreement currently in effect, except as otherwise stated. The aforementioned inquiry must include reports of management and any reports of auditors, and/or consultants that address:
 - i) overall progress of the Year 2000 Plan, including any new efforts initiated since the last report;
 - ii) specific progress in implementing the Association's Year 2000 Plan, including comparisons with performance benchmarks, discussions of any adverse developments with respect to a mission-critical system, discussions of any material complications in implementation, and discussions of any failure to meet applicable time frames;
 - iii) status of efforts by service providers, software vendors, business partners, suppliers, correspondents, clearing associations, and Customers to address the Year 2000 Computer Problem, including any weaknesses discovered or failure to meet specified target dates; and
 - iv) results of internal and external testing of the Electronic Systems applications, programs, and systems.

- c) The Compliance Resolution must:
- i) specify in detail how, if at all, full compliance was found not to exist,
 - ii) identify all notices of exemption or non-objection issued by the Regional Director that are outstanding as of the date the Compliance Resolution is adopted, and
 - iii) certify that the In-House System and Association personnel are able to handle the flow of data on a consistent and timely basis.
- d) No later than 10 days following the meeting at which the Compliance Resolution is adopted by the BOD, the Association must provide to the Regional Director a certified true copy of the Compliance Resolution adopted at the BOD meeting of the preceding calendar month, along with all supporting documents, including, but not limited to, the MESR.
- e) The Association agrees to make any revisions or amendments to any plans, assessments, policies, or actions made or taken pursuant to this Agreement that the OTS requests, based on the OTS's determination that the Association's plans, assessments, policies, or actions are unacceptable for purposes of addressing the Association's Year 2000 Computer Problem.
- f) The BOD must promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Agreement.

12. DEFINITIONS

All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by the provisions of this Agreement shall, insofar as applicable, have meanings as defined in the Code of Federal Regulations, the Home Owners' Loan Act ("HOLA"), the FDIA, as well as the OTS and FFIEC guidelines, statements, and publications. Any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations, HOLA, FDIA, FFIEC or OTS guidelines, statements, or publications shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

The following specific definitions apply to provisions of this Agreement:

- a) Electronic Systems: For the purposes of this Agreement, the term "Electronic Systems" means the electronic programs, systems, and processes utilized by an entity, including but not limited to hardware, software, operating systems, network operations, automated teller machines, audio response systems, retail delivery

22

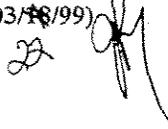
systems, environment systems with embedded microchips (e.g., security, vault, elevator operations, heating, ventilation, and air-conditioning), telecommunications systems, payment systems, and other various processing platforms, and partner, Customer, software vendor and service provider systems interdependencies.

- b) Year 2000 Computer Problem: For purposes of this Agreement, the term "Year 2000 Computer Problem" means, with respect to Electronic Systems and their technology, any problem which prevents such technology from accurately processing, calculating, comparing, sequencing, or transmitting, date or time data: (a) from, into, or between the twentieth and twenty-first centuries; or (b) from, into, or between the years 1999 and 2000; or (c) with regard to leap year calculations.
- c) Year 2000 Guidance Documents: For purposes of this Agreement, the term "Year 2000 Guidance Documents" means: (i) the FFIEC's August 2, 1996, Interagency Statement on The Effect of Year 2000 on Computer Systems; the FFIEC's May 5, 1997 Interagency Statement on Year 2000 Project Management Awareness; the FFIEC's December 17, 1997, Interagency Statement on Safety and Soundness Guidelines Concerning the Year 2000 Business Risk; the FFIEC's March 17, 1998 Interagency Statement on Guidance Concerning Institution Due Diligence in Connection with Service Provider and Software Vendor Year 2000 Readiness; the FFIEC's March 17, 1998 Interagency Statement on Guidance Concerning the Year 2000 Impact on Customers; the FFIEC's April 10, 1998 Interagency Statement on Guidance Concerning Testing for Year 2000 Readiness; the FFIEC's May 13, 1998 Interagency Statement on Guidance on Year 2000 Customer Awareness Programs for Retail Customers; the FFIEC's May 13, 1998 Interagency Statement on Guidance Concerning Contingency Planning in Connection with Year 2000 Readiness; the FFIEC's August 31, 1998 Interagency Statement on Questions and Answers Concerning FFIEC's Year 2000 Policy; the FFIEC's September 2, 1998 Interagency Statement on Guidance Concerning Fiduciary Services and Year 2000 Readiness; the FFIEC's December 11, 1998 Interagency Statement on Questions and Answers Concerning Year 2000 Contingency Planning; and the FFIEC's February 17, 1999 Interagency Statement concerning Year 2000 Customer Communication Outline; (ii) any supplemental applicable statutes, regulations, standards, guidelines, and statements that may be issued addressing the Year 2000 Computer Problem; (iii) OTS guidelines and standards embodied in OTS CEO Memos No. 57, 66, 67, 76, 77, 79, 82, 88, 93, 96, and 100, and OTS Supervisory Notice 98-01; (iv) the Interagency Policy Statement on the Internal Audit Function and its Outsourcing, dated December 22, 1997; (v) the publication of the American Institute of Certified Public Accountants entitled "The Year 2000 Issue: Current Accounting and Auditing Guidance;"

- 22
- d) Year 2000 Ready and Year 2000 Readiness: For purposes of this Agreement, the terms "Year 2000 Ready" and "Year 2000 Readiness" mean the system or application that accurately processes, calculates, compares or sequences date and time data from, into and between the 20th and 21st centuries, or the years 1999 and 2000, accurately processes the leap year for the year 2000, and effectively overcomes the Year 2000 Computer Problem.
- e) Payment Systems Providers: For the purposes of this Agreement, the term "Payment Systems Providers" shall mean wire transfer systems, including Fedwire, Clearing House Interbank Payment System, Society for Worldwide Interbank Financial Telecommunications; automated clearing houses; check clearing providers; credit card merchant and issuing systems; automated teller machine networks; electronic data interchange systems; and electronic benefits transfer systems.
- f) Customers: For the purposes of this Agreement, the term "Customers" shall include: (i) fund takers, such as "material" borrowers (as determined in accordance with the FFIEC's March 17, 1998 Interagency Statement on Guidance Concerning the Year 2000 Impact on Customers) and bond issuers that borrow or use Association funds; (ii) significant funds providers, who provide deposits or other sources of funds to the Association; and (iii) capital market and asset management parties.
- g) Mission-Critical System: For purposes of this Agreement, an application or system is "mission-critical" if it is vital to the successful continuance of a core business activity. An application also may be "mission-critical" if it interfaces with a designated "mission-critical" system. Products of software vendors also may be "mission-critical."

13. MISCELLANEOUS PROVISIONS

- a) Reference in this Agreement to statutes, regulations, policies, standards, and guidelines must be deemed to include references to all amendments to such provisions as have been made as of the Effective Date and references to successor provisions as they become applicable.
- b) Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Agreement to be made upon, given or furnished to, delivered to, or filed with the OTS or the Association must be in writing and mailed, by first class or overnight courier, or means of electronic transmission, or physically delivered, and addressed as follows:



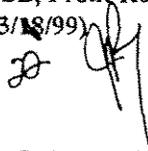
OTS: William T. Simpson, Review Examiner
Office of Thrift Supervision, Ninth Floor
P.O. Box 105217
Atlanta, GA 30348-5217

or

1475 Peachtree St., N.E.
Atlanta, GA 30309

Association: Board of Directors
Dominion Savings Bank, FSB
1 South Royal Ave.
Front Royal, VA 22630-3201

- c) This Agreement shall:
 - i) become effective upon the date of its execution by the OTS, through its authorized representative whose signature appears below ("Effective Date"); and
 - ii) remain in effect until terminated, modified or suspended in writing by the OTS or its successor, acting through its Director or the Regional Director (including any authorized designee thereof) or any of their successors.
- d) The Director of the OTS or the Regional Director in his sole discretion, may, by written notice, suspend any or all provisions of this Agreement.
- e) Time limitations for compliance with the terms of this Agreement run from the Effective Date, unless otherwise noted.
- f) The Section headings herein are for convenience only and shall not affect the construction hereof.
- g) In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any Administrative Law Judge or Court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Director of the OTS or the Regional Director in his/her sole discretion determine otherwise.



14. NO VIOLATIONS OF LAW, RULE, REGULATION, STANDARDS, OR POLICY STATEMENT AUTHORIZED; OTS NOT RESTRICTED

Nothing in this Agreement shall be construed as: (i) allowing the Association to violate any law, rule, regulation, standard, or policy statement to which it is subject; or (ii) restricting the OTS from taking such action(s) that are appropriate in fulfilling the responsibilities placed upon it by law, including, without limitation, any type of supervisory, enforcement or resolution action that the OTS determines to be appropriate.

15. SUCCESSORS IN INTEREST

The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the parties hereto and the FDIC and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

16. SIGNATURE OF DIRECTORS

Each Director signing the Agreement attests, by such act, that she or he, as the case may be, voted in favor of the resolution, in the form attached to this Agreement, authorizing the execution of this Agreement by the Association.

17. INTEGRATION CLAUSE

This Agreement represents the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date, with respect to such subject matter. However, as noted in Paragraph 1 of this Agreement, this Agreement shall not supersede or in any way terminate the 1996 Order.

18. ENFORCEABILITY OF AGREEMENT

The Association represents and warrants that this Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Association. The Association acknowledges that this Agreement is a "written agreement" entered into with the OTS within the meaning of and enforceable pursuant to applicable statute(s), including, but not limited to, 12 U.S.C. § 1831p-1 and 12 U.S.C. § 1818.

20

IN WITNESS WHEREOF, the OTS, acting through the Regional Director, and the Association, by its duly elected directors, have executed this Agreement.

151
By: John C. Hill, Sr.
Its: Chairman of the Board

151
Donald R. Fuller

151
Thomas E. Linski

151
Ronald S. Gilliam

151
George F. Poe

OFFICE OF THRIFT SUPERVISION

151
By: John E. Ryan
Its: Regional Director
Southeast Region

Date: March 22, 1999

**CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS**

I, the undersigned, being the duly qualified Secretary of Dominion Savings Bank, FSB ("Association"), hereby certify that the following is a true copy of a resolution duly adopted by its Board of Directors at a meeting duly called and held on March 18, 1999; that at said meeting a quorum was present and voting throughout; and that said resolution has not been rescinded or modified and is now in full force and effect;

RESOLUTION

WHEREAS, the directors of the Association have been advised that the Office of Thrift Supervision ("OTS") is of the opinion that as of February 8, 1999, the Association has engaged in acts and practices that are unsafe and unsound, in that they violate standards for safety and soundness adopted by the OTS in 12 C.F.R. Part 570, Appendix B, pursuant to 12 U.S.C. §1831p-1, and are not in compliance with Year 2000 Guidance Documents relating to the Year 2000 Computer Problem, thereby providing grounds for the initiation of administrative enforcement proceedings against the Association by the OTS;

WHEREAS, the Association's directors have been informed that the OTS is of the opinion that grounds exist for the initiation of administrative enforcement proceedings against the Association, but is willing to forbear at this time from the initiation of such proceedings against the Association, as a result of the Association's past aforementioned specific acts and or practices, as set forth in the Association's Report of Examination, dated February 8, 1999, if the attached Supervisory Agreement ("Agreement") is executed by the Association and if the Association is in compliance with the provisions of this Agreement;

WHEREAS, the directors of the Association have read and considered the proposed Agreement attached to the minutes of the meeting of the Board of Directors held on March 18, 1999; and

WHEREAS, after due consideration, the directors of the Association have determined to enter into the proposed Agreement in the interest of regulatory compliance and cooperation.

NOW, THEREFORE, BE IT RESOLVED THAT, the proposed Agreement, a copy of which is attached hereto and the provisions of which are incorporated herein by reference, be and is hereby approved by the Board of Directors of the Association. The Chairman of the Board, and all of the Directors of the Association will execute the Agreement in acknowledgment of this approval. The officers and employees of the Association, including those of any wholly owned or partly owned subsidiaries, are directed and authorized to take all necessary steps to implement immediately the terms of the Agreement and to comply with such Agreement.

Dominion Savings Bank, FSB, Front Royal, Virginia, OTS No. 06985
Supervisory Agreement (03/18/99)
Page 16 of 16

22 [Handwritten signature]

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of
Dominion Savings Bank, FSB, this 18th day of March, 1999.

151

Secretary

(Seal)