

**BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM  
Washington, DC 20551**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **December 21, 2007**

**MAINSTREET BANK**

(Exact name of registrant as specified in its charter)

<b>VIRGINIA</b> (State or other jurisdiction of incorporation)	<b>N/A</b> (Commission File Number)	<b>47-0914596</b> (IRS Employer Identification No.)
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<b>727 ELDEN STREET</b> <b>HERNDON, VIRGINIA</b> (Address of principal executive offices)	<b>20170</b> (Zip Code)
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Registrant's telephone number, including area code **(703) 481-4567**

**NOT APPLICABLE**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Forms of Restricted Stock Agreements under 2006 Incentive Stock Plan

At a meeting held on November 20, 2007, the Compensation Committee of the Board of Directors of MainStreet Bank (the “Bank”) approved the forms of restricted stock agreements for awards of restricted stock to employees and non-employee directors pursuant to the MainStreet Bank 2006 Incentive Stock Plan. These forms of restricted stock agreements are attached as Exhibits 10.7.1 and 10.7.2 to this report on Form 8-K.

Employment Agreements for Executive Officers

On December 21, 2007, the Bank entered into employment agreements (each an “Agreement”) with the Bank’s President and Chief Executive Officer, Jeff W. Dick, and its Chief Financial Officer, Thomas J. Chmelik (each an “Executive”). Mr. Dick’s Agreement provides for his employment as the President and Chief Executive Officer of the Bank, and Mr. Chmelik’s Agreement provides for his employment as the Chief Financial Officer and Executive Vice President of the Bank. Each Agreement has an initial term of three years beginning January 1, 2007 and automatically renews each year thereafter for an additional one year term unless terminated or formally not renewed.

Under his Agreement, Mr. Dick is entitled to an initial base salary of \$200,000, subject to annual review and increase based on Mr. Dick’s performance during the preceding year and other relevant factors. Under his Agreement, Mr. Chemlik is entitled to an initial base salary of \$160,000, subject to annual review and increase based on Mr. Chmelik’s performance during the preceding year and other relevant factors. The Executives will be eligible to participate in the Bank’s incentive compensation plan for senior Bank executives when adopted and to participate in any deferred compensation program, supplemental executive retirement plan or similar plan that the Bank may implement for its senior executives in the future.

Under the Agreements, the Executives are entitled to participate in all employee benefit plans and programs available to other executives of the Bank and in the Bank’s medical, dental, life and disability plans to the extent offered by the Bank, and in amounts consistent with the Bank’s policy, for other senior executive officers of the Bank. The Bank is also required to maintain a group term insurance policy on the life of each Executive in an amount equal to two times his base salary under the Virginia Bankers Association group term life insurance program.

Each Executive is entitled to be provided either with a company-owned automobile or an allowance of up to \$600, in the case of Mr. Dick, or \$400, in the case of Mr. Chmelik, per month plus fuel and maintenance expenses. The Bank also agrees to provide each of the Executives with an allowance of up to \$100 per month for payment of health club dues.

Under each Agreement, if the Executive is terminated “without cause” (as defined in the Agreements) by the Bank or the Executive terminates his employment “for good reason” (as defined in the Agreements), the Executive is entitled to receive in 12 monthly payments the greater of (1) an amount equal to his annual base salary in effect immediately preceding such termination or (2) an amount equal to his annual base salary in effect immediately preceding such termination times the number of years (or partial years) then remaining in the initial three-year term of the Agreement (the “Termination Compensation Part One”); but all benefits will cease upon a termination without cause or for good reason.

If either Executive is terminated without cause or if he terminates his employment for good reason following a “change in control” (as defined in the Agreements), then he will receive, also in 12 monthly payments, an additional sum equal to the excess, if any, of 299% of the Executive’s “annualized includible compensation for the base period” as defined in Internal Revenue Code Section 280G, over the Termination Compensation Part One (“Termination Compensation Part Two” and together with the Termination Compensation Part One, the “Termination Compensation”).

If the Executive is terminated “for cause” (as defined in the Agreements) or terminates his employment “for other reasons” (as defined in the Agreements), his compensation and benefits will cease upon termination. If the Executive’s employment is terminated due to disability, his compensation and benefits will cease upon termination, but all restricted stock previously received as compensation will immediately vest. If the Executive’s employment is terminated due to death, his compensation and benefits will cease upon termination, except that his estate will be paid his salary and accrued bonus, if any, through the end of the month in which death occurs and all restricted stock previously received as compensation will immediately vest.

Each Agreement contains provisions prohibiting the Executive from using, disseminating, disclosing or publishing confidential information about customers, businesses and services of the Bank. Each Executive has also agreed that during his employment and for a period of 12 months from and after the date he ceases to be employed by the Bank, he will not (i) be employed by a Competitive Business (as defined in the Agreements) within a 35-mile radius of any office operated by the Bank; (ii) solicit any depositors or customers of the Bank to make deposits in or become customers of any other financial institution conducting a Competitive Business; or (iii) knowingly induce any individuals to terminate their employment with the Bank. If the Executive breaches the confidentiality or non-compete provisions of his Agreement, then the Executive will not be entitled to receive any additional Termination Compensation and will be required to repay any Termination Compensation previously received and forfeit any stock that vested upon termination.

As previously reported on a Form 8-K filed on November 27, 2007, in connection with the Agreements, Messrs. Dick and Chmelik also received equity grants of 62,500 and 50,000 restricted shares, respectively, of the Bank’s common stock, whose 10-year

performance-based vesting terms and other terms and conditions are contained in and governed by restricted stock agreements with each Executive, dated November 20, 2007.

The foregoing description is a summary of the material terms of the Agreements and is qualified in its entirety by reference to the Agreements, copies of which are attached to this report on Form 8-K as Exhibits 10.9 and 10.10 and are incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

- (d) Exhibits.
  - 10.7.1 Form of Restricted Stock Agreement for Employee pursuant to 2006 Incentive Stock Plan
  - 10.7.2 Form of Restricted Stock Agreement for Non-Employee Director pursuant to 2006 Incentive Stock Plan
  - 10.9 Executive Employment Agreement by and between MainStreet Bank and Jeff W. Dick, dated December 21, 2007
  - 10.10 Executive Employment Agreement by and between MainStreet Bank and Thomas J. Chmelik, dated December 21, 2007

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 27, 2007

**MAINSTREET BANK  
(Registrant)**

By: /S/ \_\_\_\_\_  
Jeff W. Dick  
President & Chief Executive Officer

MAINSTREET BANK  
2006 INCENTIVE STOCK PLAN

FORM OF  
RESTRICTED STOCK AGREEMENT  
FOR  
EMPLOYEE

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*Granted {DATE 1}*

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This Restricted Stock Agreement is entered into as of {DATE 1} pursuant to Article VIII of the MainStreet Bank 2006 Incentive Stock Plan (the “Plan”) and evidences the grant, and the terms, conditions and restrictions pertaining thereto, of Restricted Stock awarded to {NAME} (the “Participant”).

1. Award of Shares. In consideration of the services rendered to MainStreet Bank (the “Company”) and/or its Subsidiaries by the Participant as an Employee of the Company or a Subsidiary, the Committee hereby grants to the Participant a Restricted Stock Award as of {DATE 1} (“Award Date”), covering {NUMBER} Shares of the Company’s Stock (the “Award Shares”) subject to the terms, conditions, and restrictions set forth in this Agreement. This Award is granted pursuant to the Plan and is subject to the terms thereof.
2. Period of Restriction.
  - (a) Subject to earlier vesting or forfeiture as hereinafter provided, the period of restriction (the “Period of Restriction”) applicable to the Award Shares is as follows: {INSERT VESTING SCHEDULE}.
  - (b) Notwithstanding any other provision of this Agreement to the contrary, if a Change in Control occurs after the Award Date and during the continuation of the Participant’s Company Service (as defined in Paragraph 7), the Period of Restriction shall end and any remaining restrictions applicable to any of the Award Shares shall automatically terminate and the Award Shares shall be free of restrictions and freely transferable.
  - (c) Except as otherwise provided pursuant to Paragraph 2(b) or 6, the applicable portion of the Award Shares shall become free of restrictions and freely transferable by the Participant after the last day of its Period of Restriction.
3. Stock Certificates. The stock certificate(s) for the Award Shares shall be registered on the Company’s stock transfer books in the name of the Participant in book entry or electronic form or in certificated form as determined by the Committee. If issued in certificated form, physical possession of the stock certificate(s) shall be retained by the Company until such time as the Period of Restriction lapses.

Any Award Shares issued in book entry or electronic form shall be subject to the following legend, and any certificate(s) evidencing the Award Shares shall bear the following legend, during the Period of Restriction:

The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer set forth in the MainStreet Bank 2006 Incentive Stock Plan, in the rules and administrative procedures adopted pursuant to such Plan, and in a Restricted Stock Agreement dated {DATE 1}. A copy of the Plan, such rules and procedures, and such Restricted Stock Agreement may be obtained from the Secretary of MainStreet Bank.

4. Voting Rights. During the Period of Restriction, the Participant may exercise full voting rights with respect to the Award Shares.
5. Dividends and Other Distributions. During the Period of Restriction, the Participant shall be entitled to receive currently all dividends and other distributions paid with respect to the Award Shares (other than dividends or distributions which are paid in Shares of Stock). If, during the Period of Restriction, any such dividends or distributions are paid in Shares of Stock, such Shares shall be registered in the name of the Participant and, if issued in certificate form, deposited with the Company as provided in Paragraph 3, and such Shares shall be subject to the same restrictions on transferability as the Award Shares with respect to which they were paid.
6. Company Service and Forfeiture.
  - (a) If the Participant's Company Service (as defined in Paragraph 7) ceases due to the Participant's death or permanent and total disability (within the meaning of Section 22(e)(3) of the Internal Revenue Code), any remaining Period of Restriction applicable to the Award Shares shall automatically terminate and the Award Shares shall be free of restrictions and freely transferable.
  - (b) If the Participant's Company Service (as defined in Paragraph 7) ceases due to the Participant's normal retirement at or after age 65 from employment with the Company or one of its Subsidiaries during the Period of Restriction, the restrictions applicable to the Award Shares shall automatically terminate and the Award Shares shall be free of restrictions and freely transferable.
  - (c) If the Participant's Company Service (as defined in Paragraph 7) ceases due to the Participant's early retirement prior to age 65 from employment with the Company or one of its Subsidiaries during the Period of Restriction and the Committee agrees to terminate the Period of Restriction in connection therewith, the restrictions applicable to the Award Shares shall automatically terminate and the Award Shares shall be free of restrictions and freely transferable.
  - (d) If the Participant's Company Service (as defined in Paragraph 7) ceases for any reason other than those set forth in Paragraphs 6(a), (b) or (c) above during the Period of Restriction, any Award Shares still subject to restrictions at the date of such cessation of Company Service shall be automatically forfeited to the Company; provided, however, that, if Participant's Company Service ceases involuntarily at the Company's or a Subsidiary's instigation, the Committee, may, in its sole discretion, waive the automatic forfeiture of any or all Award Shares and/or may add such new restrictions to the Award Shares as it deems appropriate.
7. Company Service.
  - (a) For purposes hereof, "Company Service" means service as an Employee and includes subsequent service as a member of the Board of Directors of the Company or a Subsidiary, if any, as provided in this paragraph. Notwithstanding any contrary provision or implication herein, in determining cessation of Company Service for purposes hereof, transfers between the Company and/or any Subsidiary shall be disregarded and shall not be considered a cessation of Company Service, and changes in status between that of an Employee and a Non-Employee Director shall be disregarded and shall not be considered a cessation of Company Service.
  - (b) Nothing under the Plan or in this Agreement shall confer upon the Participant any right to continue Company Service or in any way affect any right of the Company to terminate the Participant's Company Service without prior notice at any time for any or no reason.
8. Withholding Taxes. The Company shall have the right to retain and withhold the amount of taxes required by any government to be withheld or otherwise deducted and paid with respect to the Award Shares. At its discretion, the Committee may require the Participant to reimburse the Company for any such taxes required to be withheld

by the Company and may withhold any distribution in whole or in part until the Company is so reimbursed. In lieu thereof, the Company shall have the right to withhold from any other cash amounts due to or to become due from the Company to the Participant an amount equal to such taxes required to be withheld by the Company to reimburse the Company for any such taxes; or to retain and withhold a number of Shares of Stock having a Fair Market Value not less than the amount of such taxes, and cancel any such Shares so withheld, in order to reimburse the Company for any such taxes.

9. Compliance with Securities Laws. The Company covenants that it will attempt to maintain an effective registration statement pursuant to the Securities Act of 1933, as amended, covering the Shares of Stock of the Company, which are the subject of and may be issued pursuant to this Agreement, at all times during which this Award is outstanding and there is no applicable exemption from registration of such Shares.
10. Administration. The Plan is administered by a Committee appointed by the Company's Board of Directors. The Committee has the authority to construe and interpret the Plan, to make rules of general application relating to the Plan, to amend outstanding Awards, and to require of any person receiving Stock pursuant to this Award, at the time of such receipt, the execution of any paper or the making of any representation or the giving of any commitment that the Committee shall, in its discretion, deem necessary or advisable by reason of the securities laws of the United States or any state, or the execution of any paper or the payment of any sum of money in respect of taxes or the undertaking to pay or have paid any such sum that the Committee shall, in its discretion, deem necessary by reason of the Internal Revenue Code or any rule or regulation thereunder or by reason of the tax laws of any state. All such Committee determinations shall be final, conclusive, and binding upon the Company and the Participant.
11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia.
12. Successors. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, heirs, and legal representatives of the respective parties.
13. Prohibition Against Pledge, Attachment, etc. Except as otherwise provided herein, during the Period of Restriction, the Award Shares, and the rights and privileges conferred hereby, shall not be transferred, assigned, pledged or hypothecated in any way and shall not be subject to execution, attachment or similar process.
14. Capitalized Terms. Capitalized terms in this Agreement have the meaning assigned to them in the Plan, unless this Agreement provides, or the context requires, otherwise.

To evidence their agreement to the terms, conditions, and restrictions, the Company and the Participant have signed this Agreement as of the date first above written.

**MAINSTREET BANK:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**PARTICIPANT:**

\_\_\_\_\_  
{NAME}

MAINSTREET BANK  
2006 INCENTIVE STOCK PLAN

FORM OF  
RESTRICTED STOCK AGREEMENT  
FOR  
NON-EMPLOYEE DIRECTOR

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*Granted {DATE 1}*

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This Restricted Stock Agreement is entered into as of {DATE 1} pursuant to Article VIII of the MainStreet Bank 2006 Incentive Stock Plan (the “Plan”) and evidences the grant, and the terms, conditions and restrictions pertaining thereto, of Restricted Stock awarded to {NAME} (the “Participant”).

1. Award of Shares. In consideration of the services rendered to MainStreet Bank (the “Company”) and/or its Subsidiaries by the Participant as a member of the Board of Directors of the Company or a Subsidiary, the Committee hereby grants to the Participant a Restricted Stock Award as of {DATE 1} (“Award Date”), covering {NUMBER} Shares of the Company’s Stock (the “Award Shares”) subject to the terms, conditions, and restrictions set forth in this Agreement. This Award is granted pursuant to the Plan and is subject to the terms thereof.
2. Period of Restriction.
  - (a) Subject to earlier vesting or forfeiture as hereinafter provided, the period of restriction (the “Period of Restriction”) applicable to the Award Shares is as follows: {INSERT VESTING SCHEDULE}.
  - (b) Notwithstanding any other provision of this Agreement to the contrary, if a Change in Control occurs after the Award Date and during the continuation of the Participant’s Board Service (as defined in Paragraph 7), the Period of Restriction shall end and any remaining restrictions applicable to any of the Award Shares shall automatically terminate and the Award Shares shall be free of restrictions and freely transferable.
  - (c) Except as otherwise provided pursuant to Paragraph 2(b) or 6, the applicable portion of the Award Shares shall become free of restrictions and freely transferable by the Participant after the last day of its Period of Restriction.
3. Stock Certificates. The stock certificate(s) for the Award Shares shall be registered on the Company’s stock transfer books in the name of the Participant in book entry or electronic form or in certificated form as determined by the Committee. If issued in certificated form, physical possession of the stock certificate(s) shall be retained by the Company until such time as the Period of Restriction lapses.

Any Award Shares issued in book entry or electronic form shall be subject to the following legend, and any certificate(s) evidencing the Award Shares shall bear the following legend, during the Period of Restriction:

The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer set forth in the MainStreet Bank 2006 Incentive Stock Plan, in the rules and administrative procedures adopted pursuant to such Plan, and in a Restricted Stock Agreement dated {DATE 1}. A copy of the Plan, such rules and procedures, and such Restricted Stock Agreement may be obtained from the Secretary of MainStreet Bank.

4. Voting Rights. During the Period of Restriction, the Participant may exercise full voting rights with respect to the Award Shares.
5. Dividends and Other Distributions. During the Period of Restriction, the Participant shall be entitled to receive currently all dividends and other distributions paid with respect to the Award Shares (other than dividends or distributions which are paid in Shares of Stock). If, during the Period of Restriction, any such dividends or distributions are paid in Shares of Stock, such Shares shall be registered in the name of the Participant and, if issued in certificate form, deposited with the Company as provided in Paragraph 3, and such Shares shall be subject to the same restrictions on transferability as the Award Shares with respect to which they were paid.
6. Board Service and Forfeiture.
  - (a) If the Participant's Board Service (as defined in Paragraph 7) ceases due to the Participant's death or permanent and total disability (within the meaning of Section 22(e)(3) of the Internal Revenue Code), any remaining Period of Restriction applicable to the Award Shares shall automatically terminate and the Award Shares shall be free of restrictions and freely transferable.
  - (b) If the Participant's Board Service (as defined in Paragraph 7) ceases as a result of the Participant's normal retirement at or after age 65 from Board Service during the Period of Restriction, the restrictions applicable to the Award Shares shall automatically terminate and the Award Shares shall be free of restrictions and freely transferable.
  - (c) If the Participant's Board Service (as defined in Paragraph 7) ceases due to the Participant's early retirement prior to age 65 from Board Service during the Period of Restriction and the Committee agrees to terminate the Period of Restriction in connection therewith, the restrictions applicable to the Award Shares shall automatically terminate and the Award Shares shall be free of restrictions and freely transferable.
  - (d) If the Participant's Board Service (as defined in Paragraph 7) ceases for any reason other than those set forth in Paragraphs 6(a), (b) or (c) above during the Period of Restriction, any Award Shares still subject to restrictions at the date of such cessation of Board Service shall be automatically forfeited to the Company; provided, however, that, if Participant's Board Service ceases at the request of the Board, the Committee, may, in its sole discretion, waive the automatic forfeiture of any or all Award Shares and/or may add such new restrictions to the Award Shares as it deems appropriate.
7. Board Service.
  - (a) For purposes hereof, "Board Service" means membership on the Board of Directors of the Company or a Subsidiary and includes subsequent service as an Employee of the Company or a Subsidiary, if any, as provided in this paragraph. Notwithstanding any contrary provision or implication herein, in determining cessation of Board Service for purposes hereof, transfers between the Boards of Directors of the Company and/or any Subsidiary shall be disregarded and shall not be considered a cessation of Board Service, and changes in status between that of an Employee and a Non-Employee Director shall be disregarded and shall not be considered a cessation of Board Service.
  - (b) Nothing under the Plan or in this Agreement shall confer upon the Participant any right to continue Board Service or in any way affect any right of the Company to terminate the Participant's Board Service without prior notice at any time for any or no reason.
8. Withholding Taxes. The Company shall have the right to retain and withhold the amount of taxes required by any government to be withheld or otherwise deducted and paid with respect to the Award Shares. At its discretion, the Committee may require the Participant to reimburse the Company for any such taxes required to be withheld

by the Company and may withhold any distribution in whole or in part until the Company is so reimbursed. In lieu thereof, the Company shall have the right to withhold from any other cash amounts due to or to become due from the Company to the Participant an amount equal to such taxes required to be withheld by the Company to reimburse the Company for any such taxes; or to retain and withhold a number of Shares of Stock having a Fair Market Value not less than the amount of such taxes, and cancel any such Shares so withheld, in order to reimburse the Company for any such taxes.

9. Compliance with Securities Laws. The Company covenants that it will attempt to maintain an effective registration statement pursuant to the Securities Act of 1933, as amended, covering the Shares of Stock of the Company, which are the subject of and may be issued pursuant to this Agreement, at all times during which this Award is outstanding and there is no applicable exemption from registration of such Shares.
10. Administration. The Plan is administered by a Committee appointed by the Company's Board of Directors. The Committee has the authority to construe and interpret the Plan, to make rules of general application relating to the Plan, to amend outstanding Awards, and to require of any person receiving Stock pursuant to this Award, at the time of such receipt, the execution of any paper or the making of any representation or the giving of any commitment that the Committee shall, in its discretion, deem necessary or advisable by reason of the securities laws of the United States or any state, or the execution of any paper or the payment of any sum of money in respect of taxes or the undertaking to pay or have paid any such sum that the Committee shall, in its discretion, deem necessary by reason of the Internal Revenue Code or any rule or regulation thereunder or by reason of the tax laws of any state. All such Committee determinations shall be final, conclusive, and binding upon the Company and the Participant.
11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia.
12. Successors. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, heirs, and legal representatives of the respective parties.
13. Prohibition Against Pledge, Attachment, etc. Except as otherwise provided herein, during the Period of Restriction, the Award Shares, and the rights and privileges conferred hereby, shall not be transferred, assigned, pledged or hypothecated in any way and shall not be subject to execution, attachment or similar process.
14. Capitalized Terms. Capitalized terms in this Agreement have the meaning assigned to them in the Plan, unless this Agreement provides, or the context requires, otherwise.

To evidence their agreement to the terms, conditions, and restrictions, the Company and the Participant have signed this Agreement as of the date first above written.

**MAINSTREET BANK:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**PARTICIPANT:**

\_\_\_\_\_  
{NAME}

**EXECUTIVE EMPLOYMENT AGREEMENT**

**THIS EXECUTIVE EMPLOYMENT AGREEMENT** (the “**Agreement**”) is made and entered into as of the 21st day of December, 2007, by and between **MAINSTREET BANK**, a Virginia chartered bank (the “**Bank**”), and **JEFF W. DICK** (the “**Executive**”). This Agreement collectively refers to the Bank and the Executive as the “**Parties**,” and separately may refer to either one of them as a “**Party**.”

**RECITALS**

**R-1.** The Bank is engaged in the operation of a bank in Herndon, Virginia and the City of Fairfax, Virginia.

**R-2.** The Executive has been involved in the formation and management of the Bank and previously was involved in the management of the business and affairs of an entity similar to the Bank, and, therefore, possesses managerial experience, knowledge, skills and expertise in such type of business.

**R-3.** The employment of the Executive by the Bank is in the best interests of the Bank and the Executive.

**R-4.** The Parties have mutually agreed upon the terms and conditions of the Executive’s continued employment by the Bank as hereinafter set forth.

**TERMS OF AGREEMENT**

**NOW, THEREFORE**, for and in consideration of this Agreement’s Recitals, the mutual promises and undertakings of the Parties as hereinafter set forth, and other good and valuable consideration which the Parties hereby agree is sufficient, the Parties covenant and agree as follows:

**Section 1. Employment.**

(a) The Executive shall be employed as the President and Chief Executive Officer of the Bank. He shall perform such services for the Bank and/or one or more Affiliates as may be reasonably assigned to the Executive by the Bank’s board of directors (the “**Board of Directors**”) from time to time, upon the terms and conditions hereinafter set forth. As President and Chief Executive Officer, there shall be no more senior officer of the Bank. The Executive shall report to the Chairman of the Board of Directors and shall be managed by the Board of Directors consistently with the terms of this Agreement. Except in connection with the termination of the Executive’s employment with the Bank, the Board of Directors shall not, without the Executive’s approval or without cause, elect any person to a corporate position superior to any of the positions held by the Executive on January 1, 2007, or remove him from the offices of President and Chief Executive Officer of the Bank, or in any other way fail to maintain the Executive in the then highest executive position in the Bank’s organization. All other executive officers of the Bank or its Affiliates shall, in the normal course of business, report to the Chief Executive Officer, but the Board of Directors may request and receive reports

from any employee. The Executive's duties, responsibilities and authority as President and Chief Executive Officer of the Bank shall be commensurate with those normally undertaken by presidents and chief executive officers of banks similar to the Bank in nature and size at the time the Executive exercises such duties, responsibilities or authority. Additionally, in exercising his duties, the Executive shall have such authority and discretion to make decisions binding upon the Bank as are reasonable and consistent with the good faith discharge of duties set forth in this Agreement and the policies established by the Board of Directors from time to time. Bank shall cover as an insured person the Executive for all applicable director and officer liability insurance provided to other similarly situated executives of the Bank.

(b) References in this Agreement to services rendered for the Bank and compensation and benefits payable or provided by the Bank shall include services rendered for and compensation and benefits payable or provided by any Affiliate. References in this Agreement to the "**Bank**" also shall mean and refer to each Affiliate for which the Executive performs services. References in this Agreement to an "**Affiliate**" shall mean any business entity that, directly or indirectly, through one or more intermediaries, is controlled by the Bank.

(c) The Parties recognize that the Board of Directors shall manage the business affairs of the Bank at the policy level with consultation with the Executive as appropriate and that the Executive shall manage the day to day operations of the Bank. The relationship between the Bank and the Executive shall be that of an employer and an employee. The Board of Directors shall have the sole authority to set and establish terms, conditions and standards applicable to the Executive subject to the terms and conditions of this Agreement. The Executive shall be nominated and endorsed by the Bank's Board of Directors to serve as a member of the Bank's Board of Directors.

(d) Executive shall perform his duties at the Bank's offices in Herndon and/or Fairfax County, Virginia. The Executive shall travel for business reasons from time to time as is reasonably necessary for the performance of his duties hereunder.

**Section 2. Term.** The term of this Agreement shall commence on January 1, 2007 (the "**Effective Date**") and shall continue until the third anniversary of the Effective Date, unless sooner terminated under the terms of this Agreement (the "**Initial Term**"). This Agreement shall be renewed automatically for successive additional terms of one year each unless either Party gives the other notice of (i) termination or (ii) at least sixty 60 days notice of nonrenewal prior to the expiration of the Initial Term or any additional term, as the case may be.

**Section 3. Exclusive Service.** The Executive shall devote his best efforts and full time to rendering services on behalf of the Bank in furtherance of its best interests, except for any period or periods of time during which the Executive's ability to discharge any of such duties and responsibilities and devote such time and attention are impaired as a result of a mental or physical disability of his, or he is on vacation, holiday or other leave, or as otherwise agreed by the Board of Directors. The Executive shall comply with all written policies, standards and regulations of the Bank now or hereafter promulgated and communicated to the Executive, and shall perform his duties under this Agreement to the best of his abilities and in accordance with standards of conduct generally applicable to chief executive officers of similarly situated banks. The obligations of this Section 3 shall not be construed to mean that the Executive shall not be a director of any other corporation, or be associated in any way whatsoever with any educational,

charitable, civic, social, recreational, youth, sports or other organization or endeavor; provided, however, during the time of his employment under this Agreement, the Executive shall not (1) serve as an officer or director of any other entity or corporation without the express and prior approval of the Board of Directors after full disclosure by the Executive, which approval may be withheld in the Board of Director's absolute discretion, or (2) be employed by any organization other than the Bank or a subsidiary or Affiliate of the Bank.

#### **Section 4. Salary and Other Compensation.**

(a) **Base Salary.** As compensation while employed hereunder, the Executive, during his faithful performance of this Agreement, in whatever capacity rendered, shall receive an initial annual base salary of \$200,000 (the "**Base Salary**"). Such Base Salary shall be reviewed annually by the Board of Directors, to ascertain whether such Base Salary should be increased based on the performance of and contributions made by the Executive during the preceding year, the performance of the Bank during the preceding year, the compensation being paid to other senior executives at the Bank, inflation, and other factors deemed appropriate.

(b) **Incentive Compensation.** As additional compensation, the Executive shall be eligible to participate in the Bank's incentive compensation plan for senior Bank executives when adopted.

(c) **Equity Incentive.** As additional compensation, the Executive has received an equity grant of 62,500 shares of the Bank's common stock, whose performance-based vesting terms and other terms and conditions are contained in and governed by the Restricted Stock Agreement, dated November 20, 2007, between the Executive and the Bank, which agreement survives execution of this Agreement.

(d) If the Bank were to implement either a deferred compensation program, supplemental executive retirement plan or the like for its senior executives then the Executive will be entitled to participate in the implemented program at levels no lower than other senior executives of the Bank.

(e) The Bank will pay to the Executive the Base Salary as provided in Section 4(a) in appropriate installments to conform to the Bank's regular payroll dates which shall be at least monthly. Further, the Bank will pay to the Executive the Base Salary and all other amounts set forth in this Agreement less appropriate deductions as required by law, or otherwise permitted by the Executive. The Bank shall also withhold and remit to the proper party any amounts agreed to in writing by the Bank and the Executive for participation in any corporate sponsored benefit plans for which a contribution is required.

(f) Except as otherwise expressly set forth hereunder, no compensation shall be paid pursuant to this Agreement in respect of any month or portion thereof subsequent to any termination of the Executive's employment by the Bank.

## **Section 5. Corporate Benefit Plans.**

(a) **General.** In addition to those matters set forth in this Agreement, during his employment hereunder, the Executive and, to the extent applicable, Executive's spouse, dependents and beneficiaries shall be entitled to participate in or become a participant in all employee benefit plans and programs, including improvements or modifications of the same, maintained by the Bank (including but not limited to the benefits of certain pension and other retirement benefit plans, profit sharing, stock option, or other plans, benefits, and privileges) and available to other executives of the Bank that includes the Executive, on a basis not less favorable than that provided to such class of employees.

(b) **Vacation and Other Leave.** Upon execution of this Agreement, the Executive shall be entitled to twenty-five (25) days of paid vacation annually (the "**Vacation Leave**"). Executive shall take at least two (2) consecutive weeks of vacation annually that will not overlap with any vacation or planned leave taken by the Chief Financial Officer of the Bank. In addition to the Vacation Leave, the Executive shall accrue additional days of paid leave annually ("**Paid Leave Time**") according to the Paid Leave section of the Bank's Employee Handbook. The Executive shall not at any one time take more than ten (10) consecutive business days of Vacation Leave, Paid Leave Time or combination thereof without the prior approval of the Chairman of the Board of Directors. The Executive shall further be entitled to the number of paid holidays and leaves for illness or temporary disability in accordance with the Bank's policies for its senior executives.

(c) **Health and Disability Insurance.** During the term of his employment, the Executive shall be entitled to participate in the medical (including hospitalization), dental, life and disability plans, to the extent offered by the Bank, and in amounts consistent with the Bank's policy, for other senior executive officers of the Bank, with premiums for all such insurance for the Executive and his dependents to be paid by the Bank in accordance with normal payroll practices but at least monthly.

(d) **Life Insurance.** The Bank will obtain, and maintain at all times during the term of the Executive's employment, a group term insurance policy on the Executive's life in an amount equal to two times his base salary under the Virginia Bankers Association group term life insurance program. The Bank will pay the premiums on this policy in accordance with normal payroll practices but at least monthly. The Executive will have the right to designate the beneficiary of the policy.

## **Section 6. Expense Account.**

(a) **General.** The Bank shall reimburse the Executive for all reasonable and documented business expenses incurred in the conduct of the Bank's business. Such expenses will include business meals, out-of-town lodging and travel expenses, and memberships in professional organizations and costs to attend meetings and conventions of business-appropriate organizations and associations. The Executive agrees to timely submit records and receipts and, as may be required by the Board of Directors, explanations of reimbursable items and agrees that the Bank can adopt reasonable rules and policies regarding such reimbursement. The Bank agrees to make prompt payment to the Executive following receipt and verification of such reports.

(b) **Car Allowance.** The Bank will provide the Executive a company-owned automobile or an allowance of up to Six Hundred and 00/100 Dollars (\$600) per month (payable monthly) plus fuel and maintenance expenses. The Executive will maintain accurate records of personal versus Bank business-related mileage to comply with IRS requirements for income reporting at the end of each calendar year.

(c) **Health Club Dues.** The Bank will provide the Executive an allowance of up to \$100 per month (payable monthly) for payment of health club dues.

(d) **Reimbursements.** All reimbursements of expenses shall be made in accordance with the Bank's reimbursement policy but shall be paid to the Executive no later than the end of the calendar year following the calendar year in which the expenses are incurred. The amount of expenses eligible for reimbursement in one calendar year shall not affect the amount of expenses eligible for reimbursement in any other calendar year.

### **Section 7. Termination by Bank.**

(a) **Definitions:** The Bank may terminate the Executive for Cause; Without Cause; or upon Disability, all as hereinafter defined.

(i) **"Cause"** shall mean the following:

- (1) Gross incompetence, gross negligence, willful misconduct, or breach of a material fiduciary duty owed to the Bank;
- (2) Conviction of a felony, a crime of moral turpitude, commission of an act of embezzlement or fraud against the Bank or any subsidiary or Affiliate thereof, the commission of repeated misdemeanors, or other willful misconduct that materially adversely affects the business or reputation of the Bank;
- (3) Failure to cure a material breach by the Executive of a material term of this Agreement after 10 days written notice of the breach;
- (4) Deliberate dishonesty of the Executive with respect to the Bank or any subsidiary or Affiliate thereof;
- (5) Permanent disbarment or suspension of the Executive by any regulatory body or agency lasting more than sixty (60) days.

(ii) **"Without Cause"** shall mean termination for any reason other than "For Cause" or "upon Disability".

(iii) For purposes of this Agreement, **"Disability"** means either (i) disability which after the expiration of more than 13 consecutive weeks after its commencement is determined to be total and permanent by a physician selected and paid for by the Bank or its insurers, and acceptable to the

Executive or his legal representative, which consent shall not be unreasonably withheld or (ii) disability as defined in the policy of disability insurance maintained by the Bank or its Affiliates for the benefit of the Executive, whichever may be more favorable to the Executive. Notwithstanding any other provision of this Agreement, the Bank shall comply with all requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq.

(b) **Notice by Bank.**

- (i) If the Bank determines to terminate the Executive For Cause or Without Cause, the Bank may elect to terminate the Executive's employment immediately or upon the expiration of a set period not to exceed thirty (30) days, as set forth in written notice to the Executive. Subsequent to receipt of said notice, the Executive may be relieved of his duties as specified herein and assigned alternate duties by the Board of Directors.
- (ii) The Bank may terminate Executive's employment under this Agreement, after having established the Executive's Disability, by giving to the Executive written notice of the Bank's intention to terminate the Executive's employment for Disability and his employment with the Bank shall terminate effective on the 90th day after receipt of such notice if within 90 days after such receipt the Executive shall fail to return to the full-time performance of the essential functions of his position (and if the Executive's Disability has been established pursuant to the definition of "Disability" in Section 7(a)(iii)).

(c) **Compensation Upon Termination by Bank.**

- (i) Termination For Cause. If the Executive is terminated For Cause, then all compensation and benefits payable to the Executive (other than the payment of benefits that accrued and were vested prior to termination) shall cease.
- (ii) Termination Without Cause.
  - a. If the Executive is terminated Without Cause, then, subject to Section 7(c)(ii)(b), the Executive shall receive either: (1) the sum equivalent to his annual Base Salary in effect immediately preceding such termination; or (2) the sum equivalent to his annual Base Salary in effect immediately preceding such termination for each year or portion of a year then remaining in the Initial Term; whichever is greater (the "**Termination Compensation Part One**"). All benefits shall cease. Payment of the Termination Compensation Part One shall be paid in twelve (12) equal monthly installments beginning on the Bank's first regular payroll date (but not more than thirty (30) days) following the Executive's termination of employment. In addition, if the Executive is terminated Without Cause or if he resigns for Good

Reason following a Change in Control, then Executive shall receive an additional sum equal to the excess, if any, of 299% of the Executive's "annualized includible compensation for the base period" as defined in IRC section 280G, over the Termination Compensation Part One (**"Termination Compensation Part Two"**). Termination Compensation Part Two shall be paid in twelve (12) equal monthly installments at the same time as Termination Compensation Part One is paid. Together, Termination Compensation Part One and Termination Compensation Part Two shall be referred to as Termination Compensation.

- b. Notwithstanding anything in this Agreement to the contrary:
- i. If the Executive is at anytime in breach of either Section 12 or Section 13 of this Agreement, then the Executive shall not thereafter be entitled to receive any Termination Compensation, any stock which may vest, or any other compensation or benefits and, if such breach occurs within twelve months of the Executive's termination of employment, the Executive shall repay to the Bank any Termination Compensation and all vested stock previously received.
  - ii. If the Executive engages in any activity seeking to establish a Competitive Business in the Trade Area during the Non-Compete Period (as those terms are hereafter defined), the Executive shall not be entitled to any Termination Compensation nor any stock which may vest and shall repay to the Bank any Termination Compensation and all vested stock previously received.
  - iii. The Bank shall not be required to make payment of the Termination Compensation or any portion thereof to the extent such payment is prohibited by applicable banking regulations or to the extent that any other governmental approval of the payment required by law is not received.
  - iv. Termination by the Bank pursuant to this Section 7 shall not constitute a breach of any provision of this Agreement.

(iii) Termination Upon Disability.

No severance payments shall be paid if termination is due to Disability. However, if the Executive is terminated due to Disability, all of Executive's unvested shares of the Bank's stock that were granted to the Executive by the Bank as compensation and that have not previously been forfeited will immediately vest notwithstanding any provision in any restricted stock agreement to the contrary.

**Section 8. Termination by Executive.**

**(a) Definitions:**

- (i) The Executive may terminate his employment “**For Good Reason**” or “**For Other Reason**”, as hereinafter defined.
- (ii) “**For Good Reason**” shall mean:
  - (1) Except as provided herein, the assignment of duties and responsibilities to the Executive by the Bank which are inconsistent with the position referred to in Section 1(a) above or which result in the Executive’s having significantly less authority or responsibility than he has on the date hereof, without his advance and express written consent;
  - (2) The removal of the Executive from or any failure to re-elect him to the positions of President and Chief Executive Officer of the Bank other than for Cause;
  - (3) The removal of the Executive from, or any failure of the Executive to be endorsed and recommended by the Bank for election to the Bank’s Board of Directors;
  - (4) The Bank’s moving its principal office outside of Fairfax County, Virginia;
  - (5) A reduction by the Bank of the Executive’s annual Base Salary unless salaries for all employees are reduced, and the Executive’s salary is reduced proportionately;
  - (6) The failure of the Bank to provide the Executive with substantially the same fringe benefits that are provided Executive at the inception of his employment; except as a result of severe financial distress that leads to a general decrease in the level of benefits of all or substantially all of the Bank’s employees;
  - (7) Failure to cure a material breach by the Bank of a material term of this Agreement after 30 days written notice of the breach;
  - (8) Failure by any successor entity (an entity that assumes the assets or business of the Bank pursuant to an acquisition of any kind including, without limitation, acquisition of assets or merger) to assume and agree to perform this Agreement in its entirety; or
  - (9) The occurrence of a Change of Control.

- (iii) **“For Other Reasons”** shall mean for any reason other than for Good Reason.
- (iv) For all purposes of this Agreement, a **Change of Control** shall be deemed to occur when a majority of the members of the Board of Directors are changed within six (6) months after a “Control Group Acquisition” or a “Reorganization” as hereinafter defined. Provided, however, that in determining whether there has been a change in a majority of Directors, a Director whose election or nomination was approved by two thirds of the Directors in office prior to the Control Group Acquisition or Reorganization shall not be deemed a new Director.

(1) A **“Control Group Acquisition”** shall mean the acquisition by an individual, entity or group of beneficial ownership of securities of the Bank representing 20% or more of the combined voting power of the then outstanding securities that may be cast for the election of Directors of the Bank, but excluding (i) acquisitions directly from the Bank (except by conversion privilege), and (ii) acquisitions by an employee benefit plan or trust sponsored or maintained by the Bank. A “group” shall have the same meaning as under Section 13(d)(3) or 14(d) of the Securities Exchange Act of 1934 and “beneficial ownership” shall have the same meaning as under Rule 13d-3 promulgated pursuant to said Act.

(2) A **“Reorganization”** shall mean approval by the Bank’s shareholders of either a reorganization, merger, share exchange or consolidation of the Bank by, with, or into another corporation; or the sale, assignment or other disposition of all or substantially all of the assets of the Bank. Provided, however, that a Reorganization shall not include a transaction that would otherwise be a Reorganization if upon consummation of the transaction more than 60 percent of the outstanding shares of common stock of the corporation resulting from the reorganization are then owned (directly or indirectly) by all or substantially all the shareholders who were owners of the Bank prior to the reorganization.

For purposes of this Agreement, a Change of Control occurs on the date on which an event described in Section 8(a)(iv)(1) or 8(a)(iv)(2) occurs. If a Change of Control occurs on account of a series of transactions or events, then the Change of Control occurs on the date of the last of such transactions or events.

- (b) **Notice by Executive.** In all events, the Executive shall provide the Bank with not less than sixty (60) days notice of termination. Provided, however, that subsequent to receipt of said notice, the Executive may be relieved of his duties and assigned alternate duties by the Board of Directors.

- (c) **Compensation Upon Termination by Executive.** If the Executive terminates “For Good Reason”, he shall receive the same compensation and benefits upon termination that he would receive as if he were terminated Without Cause and would also be subject to the same provisions as set forth in Section 7(c)(ii)(b). If the Executive terminates for “Other Reasons”, his compensation and benefits shall cease upon termination.

**Section 9. Termination Upon Death.** This Agreement shall terminate upon the death of the Executive; provided, however, that in such event the Bank shall pay to the estate of the Executive within 60 days of death the compensation including salary and accrued bonus, if any, which otherwise would have been payable to the Executive through the end of the month in which his death occurs. Upon the death of the Executive during the term of this Agreement, all of Executive’s unvested shares of the Bank’s stock that were granted to the Executive by the Bank as compensation and that have not previously been forfeited will immediately vest notwithstanding any provision in any restricted stock agreement to the contrary.

**Section 10. Other Provisions Relating to Termination.**

(a) Notwithstanding the termination of the Executive’s employment pursuant to any provision of this Agreement, the Parties shall be required to carry out any provisions of this Agreement which contemplate performance by them subsequent to such termination. In addition, no termination shall affect any liability or other obligation of either Party which shall have accrued prior to such termination, including, but not limited to, any liability, loss or damage on account of breach, subject to the limitation on damages set forth below. No termination of employment shall terminate the obligation of the Bank to make payments of any vested benefits provided hereunder or the obligations of the Executive under Sections 12, 13, and 14.

(b) Notwithstanding anything herein to the contrary, the Executive acknowledges and agrees that the payment by the Bank of the Termination Compensation shall constitute liquidated damages for, and shall be the Executive’s sole and exclusive remedy for, (1) the termination of the Executive by the Bank Without Cause or (2) the occurrence of any fact or circumstance constituting Good Reason, including without limitation any breach of this Agreement by the Bank. The parties agree that it would be difficult or impossible to ascertain damages in the event of a breach by the Bank and, accordingly, the parties have, through negotiation of this Agreement, established liquidated damages which they agree are a fair estimate of damages and not a penalty.

(c) It is the intention of the Parties that no payment be made or benefit provided to the Executive pursuant to this Agreement that would constitute an “excess parachute payment” within the meaning of Section 280G of the Internal Revenue Code (the “Code”) and any regulations thereunder, thereby resulting in a loss of an income tax deduction by the Bank or the imposition of an excise tax on the Executive under Section 4999 of the Code. If the independent accountants serving as auditors for the Bank on the date of a Change of Control (or any other accounting firm designated by the Bank only because such determination by the auditors would be violative of auditor independence rules) determine that some or all of the payments or benefits scheduled under this Agreement, as well as any other payments or benefits on a Change of Control, would be nondeductible by the Bank under Section 280G of the Code, then the

payments scheduled under this Agreement will be reduced to one dollar less than the maximum amount which may be paid without causing any such payment or benefit to be nondeductible. The determination made as to the reduction of benefits or payments required hereunder by the independent accountants shall be binding on the Parties. Any reduction of benefits or payments required to be made under this Section 10(c) will be taken in the following order: first from payments or benefits that are equity compensation and, if necessary, second from payments or benefits that are cash compensation.

(d) Notwithstanding any other provision of this Agreement, no payments under this Agreement that are to be paid upon the Executive's termination of employment shall be paid to the Executive until the Executive has experienced a "separation from service", as defined in Code Section 409A, from the Bank or an affiliate who is treated as the employer under Code Section 409A (collectively for this purpose, the "Bank"). A separation from service shall not occur under Code Section 409A unless such Executive has completely severed his employment or contractor relationship with the Bank or Executive has permanently decreased his services (via his employment relationship or his consulting relationship) to 20% or less of the average level of bona fide services over the immediately preceding 36 month period (or the full period if the Executive has been providing services for less than 36 months). A leave of absence shall only trigger a termination of employment that constitutes a separation from service at the time required under Code Section 409A.

#### **Section 11. Suspension.**

If the Executive is suspended and/or temporarily prohibited from participating in the conduct of the Bank's affairs by a notice served pursuant to the Federal Deposit Insurance Act, then the Bank's obligations under this Agreement shall be suspended as of the date of service unless the Executive's suspension or prohibition is stayed by appropriate proceedings. If the charges in the notice are dismissed, then the Bank (i) will pay to the Executive all of the compensation withheld while the Bank's contract obligations were suspended, and (ii) reinstate (in whole) any of its obligations which were suspended. Nothing in this Section 11 shall be construed to limit the Bank's right, pursuant to Section 7(a)(i)(5) to declare a suspension of the Executive lasting longer than sixty (60) days as Cause for termination.

**Section 12. Confidentiality/Nondisclosure.** The Executive covenants and agrees that any and all information concerning the customers, businesses and services of the Bank of which he has knowledge or access as a result of his association with the Bank in any capacity (including, without limitation, information concerning the Bank's trade secrets, business operations and operating methods, business records, customer lists or other customer information, research projects, costs, pricing, financial data, business plans and proposals, data and information the Bank receives in confidence from any other party and, or any other information which is treated as confidential by the Bank) ("**Confidential Information**") is the sole and exclusive property of the Bank. The Executive shall not, without the prior written consent of the Bank, directly or indirectly use, disseminate, disclose or publish such Confidential Information to third parties other than in connection with the usual conduct of the business of the Bank. Such information shall expressly include, but shall not be limited to, information concerning the Bank's trade secrets, business operations, business records, customer lists or other customer information. Upon termination of

employment, the Executive shall deliver to the Bank all originals and copies of documents, forms, records or other information in Executive's possession, in whatever form it may exist, concerning the Bank or its business, customers, products or services, without retaining any copies. The Bank shall have the right to review the Executive's personal files, on demand, to evaluate compliance with this provision. In construing this provision it is agreed that it shall be interpreted broadly so as to provide the Bank with the maximum protection. This Section 12 shall not be applicable to any information which, through no misconduct or negligence of the Executive, has previously or subsequently been disclosed to the public by anyone other than the Executive. The provisions of this Section shall expressly survive termination of this Agreement for any reason, including breach of this Agreement by the Bank.

### **Section 13. Covenants Not to Compete and Not to Solicit.**

(a) The Executive covenants and agrees that during the term of his employment, and for a period of twelve (12) months from and after the date that the Executive ceases to be employed by the Bank for any reason (the "**Non-Compete Period**"), he will not, directly or indirectly, in any individual or representative capacity whatsoever: (i) be directly or indirectly employed by a Competitive Business (as defined below) as an employee, consultant or in any other capacity to provide or undertake those duties customarily performed by a director, president, vice-president, chief executive officer, chief financial officer or loan officers of the Bank anywhere within a thirty-five (35) air mile radius of any office operated by the Bank on the date the Executive's employment terminates (the "**Trade Area**"); (ii) solicit, or assist any other person or business entity in soliciting, any depositors or other customers of the Bank to make deposits in or to become customers of any other financial institution conducting a Competitive Business; or (iii) knowingly induce any individuals to terminate their employment with the Bank or its Affiliates, each of the aforesaid being deemed a "**Competitive Activity**". The term "**Competitive Business**" means provision of those banking products and services that are substantially similar to those offered by the Bank on the date that the Executive's employment terminates. The Executive further agrees that if the Executive violates this Section 13 during the Non-Compete Period, the Non-Compete Period shall be extended by an amount of time equal to the length of the period of any such violation(s).

(b) The Executive hereby covenants and warrants that the covenants and restrictions set forth in Section 13(a) are the product of negotiation between the Executive and the Bank and, in light of the Executive's position as a founding Director and President and Chief Executive Officer of the Bank, are reasonable (as to geographic scope, scope of activity, and duration) and necessary for the protection of the Bank's legitimate business interests, including the protection of the significant investment of the Bank in developing, maintaining and expanding its business. The Executive represents and warrants to the Bank that the covenants and restrictions set forth in Section 13(a) do not and will not unreasonably interfere with the Executive's ability to earn a livelihood.

### **Section 14. Injunctive Relief, Damages, Etc.**

(a) The Parties agree that in the event of any breach by the Executive of any of the provisions of Sections 12 or 13 that monetary damages alone will not adequately compensate the Bank for its losses and, therefore, that it may seek any and all legal or equitable relief available to it,

specifically including, but not limited to, injunctive relief. The covenants contained in Sections 12 and 13 shall be construed and interpreted in any judicial proceeding to permit their enforcement to the maximum extent permitted by law. Should a court of competent jurisdiction determine that any provision of the covenants and restrictions set forth in Section 13 is unenforceable as being overbroad as to time, area or scope, then the Parties agree that they shall enter into an amendment to this Agreement for the purpose of rendering such provision enforceable to the maximum extent permitted by law. The Parties acknowledge and agree that the foregoing obligation to amend this Agreement shall survive the entry of any order or decree finding Section 13 to be unenforceable.

(b) Nothing in this Section 14 will limit the right of a Party to obtain from a court of competent jurisdiction any equitable relief such as an injunction, nor shall this Section 14 be construed to impair or otherwise affect any indemnification rights either Party may have against the other arising under the Bank's articles of incorporation or bylaws or pursuant to any other written agreement between the Parties not superceded by this Agreement.

**Section 15. Binding Effect/Assignability.** This Agreement shall be binding upon and inure to the benefit of the Bank and the Executive and their respective heirs, legal representatives, executors, administrators, successors and assigns, but neither this Agreement, nor any of the rights hereunder, shall be assignable by the Executive or any beneficiary or beneficiaries designated by the Executive. The Bank will require any successor (whether direct or indirect, by purchase, merger, consolidation, share exchange or otherwise) to all or substantially all of the business, stock or assets of the Bank (a "**Successor Entity**"), by agreement in form and substance reasonably satisfactory to the Executive, to expressly assume and agree to perform this Agreement in its entirety.

**Section 16. Governing Law.** This Agreement shall be subject to and construed in accordance with the laws of the Commonwealth of Virginia, without giving effect to its principles of conflict of laws.

**Section 17.** The parties will enter into a separate indemnification agreement regarding the Executive's status as a Bank director and officer.

**Section 18. Invalid Provisions.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the validity or enforceability of any other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

**Section 19. Notices.** Any and all notices, designations, consents, offers, acceptance or any other communications provided for herein ("**Notices**") shall be given in writing and shall be deemed properly delivered if delivered in person or (i) in the case of Notices deliverable to the Bank, by overnight delivery by a reputable carrier to the Chairman of the Board of Directors at his or her personal address as set forth in the books and records of the Bank, with a copy to Michael R. Vanderpool, Esq., Vanderpool, Frostick & Nishanian, P.C., 9200 Church Street, Suite 400, Manassas, Virginia 20110 and (ii) in the case of Notices to the Executive, by registered or certified mail, return receipt requested, addressed to his last known address.

**Section 20. Entire Agreement.**

(a) This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or in writing, among the Parties with respect to the subject matter hereof.

(b) This Agreement may be executed in one or more counterparts, each of which shall be considered an original copy of this Agreement, but all of which together shall evidence only one agreement.

**Section 21. Amendment and Waiver.** This Agreement may not be amended except by an instrument in writing signed by or on behalf of each of the Parties. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person or Party to be charged.

**Section 22. Interpretation.** The meaning assigned to each term defined in this Agreement will be equally applicable to both the singular and the plural forms of the term. Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The headings in this Agreement are for reference only and will not affect this Agreement's interpretation. Underscored references to Articles, Sections, Subsections, clauses, Exhibits or Schedules refer to those portions of this Agreement, and any underscored references to a Subsection or clause, unless otherwise identified, refer to the appropriate Subsection or clause within the same Section in which the reference occurs. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, then this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

**Section 23. Code section 409A Provisions.** If it should be determined that any payment or benefit under this Agreement constitutes a "deferral of compensation" subject to Code Section 409A, then, notwithstanding anything in this Agreement to the contrary, if Executive is a "specified employee" (within the meaning of Code Section 409A and as determined by the Bank in accordance with Code Section 409A) at the time of Executive's separation from service (as defined in Section 10(d) above), the distribution of any payment or benefit under this Agreement on account of Executive's termination of employment shall be made no earlier than the date which is 6 months after the date of Executive's separation from service (or, if earlier than the end of such 6-month period, the date of Executive's death). To the extent any payment or benefit hereunder is subject to the 6-month delay, such payment or benefit shall be paid immediately after the end of such 6-month period (or the date of death, if earlier). If any payment or benefit is delayed under this Section 23, then interest shall be paid on the amount delayed calculated at the prime rate reported in The Wall Street Journal for the date of the Executive's termination to the date of payment. The provisions of this Agreement governing any payment or benefit constituting a "deferral of compensation" shall be interpreted and operated consistently with the requirements of Code Section 409A.

[Signatures appear on the following page]

**IN WITNESS WHEREOF**, the Bank has caused this Employment Agreement to be signed and sealed by its duly authorized officer and the Executive has hereunto set his hand and seal on the day and year first above written.

**BANK:**

**MAINSTREET BANK**

By: \_\_\_\_\_ (SEAL)

Name: Barbara Davis Blum

Title: Chairman

ATTEST: \_\_\_\_\_

**EXECUTIVE:**

\_\_\_\_\_  
(SEAL)

**JEFF W. DICK**

WITNESS: \_\_\_\_\_

**EXECUTIVE EMPLOYMENT AGREEMENT**

**THIS EXECUTIVE EMPLOYMENT AGREEMENT** (the “**Agreement**”) is made and entered into as of the 21st day of December, 2007, by and between **MAINSTREET BANK**, a Virginia chartered bank (the “**Bank**”), and Thomas J. Chmelik (the “**Executive**”). This Agreement collectively refers to the Bank and the Executive as the “**Parties**,” and separately may refer to either one of them as a “**Party**.”

**RECITALS**

**R-1.** The Bank is engaged in the operation of a bank in Herndon, Virginia and the City of Fairfax, Virginia.

**R-2.** The Executive has been involved in the formation and management of the Bank and previously was involved in the management of the business and affairs of an entity similar to the Bank, and, therefore, possesses managerial experience, knowledge, skills and expertise in such type of business.

**R-3.** The employment of the Executive by the Bank is in the best interests of the Bank and the Executive.

**R-4.** The Parties have mutually agreed upon the terms and conditions of the Executive’s continued employment by the Bank as hereinafter set forth.

**TERMS OF AGREEMENT**

**NOW, THEREFORE**, for and in consideration of this Agreement’s Recitals, the mutual promises and undertakings of the Parties as hereinafter set forth, and other good and valuable consideration which the Parties hereby agree is sufficient, the Parties covenant and agree as follows:

**Section 1. Employment.**

(a) The Executive shall be employed as the Chief Financial Officer and Executive Vice President of the Bank. The Executive shall report to the Chief Executive Officer of the Bank and shall be managed by the Chief Executive Officer consistently with the terms of this Agreement. The Executive’s duties, responsibilities and authority as Chief Financial Officer and Executive Vice President of the Bank shall be commensurate with those normally undertaken by Chief Financial Officers and Executive Vice President of banks similar to the Bank in nature and size at the time the Executive exercises such duties, responsibilities or authority Bank shall cover as an insured person the Executive for all applicable director and officer liability insurance provided to other similarly situated executives of the Bank.

(b) References in this Agreement to services rendered for the Bank and compensation and benefits payable or provided by the Bank shall include services rendered for and compensation and benefits payable or provided by any Affiliate. References in this Agreement to the “**Bank**” also shall mean and refer to each Affiliate for which the Executive performs

services. References in this Agreement to an “**Affiliate**” shall mean any business entity that, directly or indirectly, through one or more intermediaries, is controlled by the Bank.

(c) The relationship between the Bank and the Executive shall be that of an employer and an employee. The Board of Directors shall have the sole authority to set and establish terms, conditions and standards applicable to the Executive subject to the terms and conditions of this Agreement. The Executive shall be nominated and endorsed by the Bank’s Board of Directors to serve as a member of the Bank’s Board of Directors.

(d) Executive shall perform his duties at the Bank’s offices in Herndon and/or Fairfax County, Virginia. The Executive shall travel for business reasons from time to time as is reasonably necessary for the performance of his duties hereunder.

**Section 2. Term.** The term of this Agreement shall commence on January 1, 2007 (the “**Effective Date**”) and shall continue until the third anniversary of the Effective Date, unless sooner terminated under the terms of this Agreement (the “**Initial Term**”). This Agreement shall be renewed automatically for successive additional terms of one year each unless either Party gives the other notice of (i) termination or (ii) at least sixty 60 days notice of nonrenewal prior to the expiration of the Initial Term or any additional term, as the case may be.

**Section 3. Exclusive Service.** The Executive shall devote his best efforts and full time to rendering services on behalf of the Bank in furtherance of its best interests, except for any period or periods of time during which the Executive’s ability to discharge any of such duties and responsibilities and devote such time and attention are impaired as a result of a mental or physical disability of his, or he is on vacation, holiday or other leave, or as otherwise agreed by the Board of Directors. The Executive shall comply with all written policies, standards and regulations of the Bank now or hereafter promulgated and communicated to the Executive, and shall perform his duties under this Agreement to the best of his abilities and in accordance with standards of conduct generally applicable to chief financial officers of similarly situated banks. The obligations of this Section 3 shall not be construed to mean that the Executive shall not be a director of any other corporation, or be associated in any way whatsoever with any educational, charitable, civic, social, recreational, youth, sports or other organization or endeavor; provided, however, during the time of his employment under this Agreement, the Executive shall not (1) serve as an officer or director of any other entity or corporation without the express and prior approval of the Board of Directors after full disclosure by the Executive, which approval may be withheld in the Board of Director’s absolute discretion, or (2) be employed by any organization other than the Bank or a subsidiary or Affiliate of the Bank.

**Section 4. Salary and Other Compensation.**

(a) **Base Salary.** As compensation while employed hereunder, the Executive, during his faithful performance of this Agreement, in whatever capacity rendered, shall receive an initial annual base salary of \$160,000 (the “**Base Salary**”). Such Base Salary shall be reviewed annually by the Board of Directors, to ascertain whether such Base Salary should be increased based on the performance of and contributions made by the Executive during the preceding year, the performance of the Bank during the preceding year, the compensation being paid to other senior executives at the Bank, inflation, and other factors deemed appropriate.

(b) **Incentive Compensation.** As additional compensation, the Executive shall be eligible to participate in the Bank's incentive compensation plan for senior Bank executives when adopted.

(c) **Equity Incentive.** As additional compensation, the Executive has received an equity grant of 50,000 shares of the Bank's common stock, whose performance-based vesting terms and other terms and conditions are contained in and governed by the Restricted Stock Agreement, dated November 20, 2007, between the Executive and the Bank, which agreement survives execution of this Agreement.

(d) If the Bank were to implement either a deferred compensation program, supplemental executive retirement plan or the like for its senior executives then the Executive will be entitled to participate in the implemented program at levels no lower than other senior executives of the Bank.

(e) The Bank will pay to the Executive the Base Salary as provided in Section 4(a) in appropriate installments to conform to the Bank's regular payroll dates which shall be at least monthly. Further, the Bank will pay to the Executive the Base Salary and all other amounts set forth in this Agreement less appropriate deductions as required by law, or otherwise permitted by the Executive. The Bank shall also withhold and remit to the proper party any amounts agreed to in writing by the Bank and the Executive for participation in any corporate sponsored benefit plans for which a contribution is required.

(f) Except as otherwise expressly set forth hereunder, no compensation shall be paid pursuant to this Agreement in respect of any month or portion thereof subsequent to any termination of the Executive's employment by the Bank.

#### **Section 5. Corporate Benefit Plans.**

(a) **General.** In addition to those matters set forth in this Agreement, during his employment hereunder, the Executive and, to the extent applicable, Executive's spouse, dependents and beneficiaries shall be entitled to participate in or become a participant in all employee benefit plans and programs, including improvements or modifications of the same, maintained by the Bank (including but not limited to the benefits of certain pension and other retirement benefit plans, profit sharing, stock option, or other plans, benefits, and privileges) and available to other executives of the Bank that includes the Executive, on a basis not less favorable than that provided to such class of employees.

(b) **Vacation and Other Leave.** Upon execution of this Agreement, the Executive shall be entitled to twenty-five (25) days of paid vacation annually (the "**Vacation Leave**"). Executive shall take at least two (2) consecutive weeks of vacation annually that will not overlap with any vacation or planned leave taken by the President and Chief Executive Officer of the Bank. In addition to the Vacation Leave, the Executive shall accrue additional days of paid leave annually ("**Paid Leave Time**") according to the Paid Leave section of the Bank's Employee Handbook. The Executive shall not at any one time take more than ten (10) consecutive business days of Vacation Leave, Paid Leave Time or combination thereof without the prior approval of the Chairman of the Board of Directors. The Executive shall further be entitled to the number of

paid holidays and leaves for illness or temporary disability in accordance with the Bank's policies for its senior executives.

(c) **Health and Disability Insurance.** During the term of his employment, the Executive shall be entitled to participate in the medical (including hospitalization), dental, life and disability plans, to the extent offered by the Bank, and in amounts consistent with the Bank's policy, for other senior executive officers of the Bank, with premiums for all such insurance for the Executive and his dependents to be paid by the Bank in accordance with normal payroll practices but at least monthly.

(d) **Life Insurance.** The Bank will obtain, and maintain at all times during the term of the Executive's employment, a group term insurance policy on the Executive's life in an amount equal to two times his base salary under the Virginia Bankers Association group term life insurance program. The Bank will pay the premiums on this policy in accordance with normal payroll practices but at least monthly. The Executive will have the right to designate the beneficiary of the policy.

#### **Section 6. Expense Account.**

(a) **General.** The Bank shall reimburse the Executive for all reasonable and documented business expenses incurred in the conduct of the Bank's business. Such expenses will include business meals, out-of-town lodging and travel expenses, and memberships in professional organizations and costs to attend meetings and conventions of business-appropriate organizations and associations. The Executive agrees to timely submit records and receipts and, as may be required by the Board of Directors, explanations of reimbursable items and agrees that the Bank can adopt reasonable rules and policies regarding such reimbursement. The Bank agrees to make prompt payment to the Executive following receipt and verification of such reports.

(b) **Car Allowance.** The Bank will provide the Executive a company-owned automobile or an allowance of up to Four Hundred and 00/100 Dollars (\$400) per month (payable monthly) plus fuel and maintenance expenses. The Executive will maintain accurate records of personal versus Bank business-related mileage to comply with IRS requirements for income reporting at the end of each calendar year.

(c) **Health Club Dues.** The Bank will provide the Executive an allowance of up to \$100 per month (payable monthly) for payment of health club dues.

(d) **Reimbursements.** All reimbursements of expenses shall be made in accordance with the Bank's reimbursement policy but shall be paid to the Executive no later than the end of the calendar year following the calendar year in which the expenses are incurred. The amount of expenses eligible for reimbursement in one calendar year shall not affect the amount of expenses eligible for reimbursement in any other calendar year.

#### **Section 7. Termination by Bank.**

(a) **Definitions:** The Bank may terminate the Executive for Cause; Without Cause; or upon Disability, all as hereinafter defined.

- (i) **“Cause”** shall mean the following:
  - (1) Gross incompetence, gross negligence, willful misconduct, or breach of a material fiduciary duty owed to the Bank;
  - (2) Conviction of a felony, a crime of moral turpitude, commission of an act of embezzlement or fraud against the Bank or any subsidiary or Affiliate thereof, the commission of repeated misdemeanors, or other willful misconduct that materially adversely affects the business or reputation of the Bank;
  - (3) Failure to cure a material breach by the Executive of a material term of this Agreement after 10 days written notice of the breach;
  - (4) Deliberate dishonesty of the Executive with respect to the Bank or any subsidiary or Affiliate thereof;
  - (5) Permanent disbarment or suspension of the Executive by any regulatory body or agency lasting more than sixty (60) days.
- (ii) **“Without Cause”** shall mean termination for any reason other than “For Cause” or “upon Disability”.
- (iii) For purposes of this Agreement, **“Disability”** means either (i) disability which after the expiration of more than 13 consecutive weeks after its commencement is determined to be total and permanent by a physician selected and paid for by the Bank or its insurers, and acceptable to the Executive or his legal representative, which consent shall not be unreasonably withheld or (ii) disability as defined in the policy of disability insurance maintained by the Bank or its Affiliates for the benefit of the Executive, whichever may be more favorable to the Executive. Notwithstanding any other provision of this Agreement, the Bank shall comply with all requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq.

**(b) Notice by Bank.**

- (i) If the Bank determines to terminate the Executive For Cause or Without Cause, the Bank may elect to terminate the Executive’s employment immediately or upon the expiration of a set period not to exceed thirty (30) days, as set forth in written notice to the Executive. Subsequent to receipt of said notice, the Executive may be relieved of his duties as specified herein and assigned alternate duties by the Board of Directors.
- (ii) The Bank may terminate Executive’s employment under this Agreement, after having established the Executive’s Disability, by giving to the

Executive written notice of the Bank's intention to terminate the Executive's employment for Disability and his employment with the Bank shall terminate effective on the 90th day after receipt of such notice if within 90 days after such receipt the Executive shall fail to return to the full-time performance of the essential functions of his position (and if the Executive's Disability has been established pursuant to the definition of "Disability" in Section 7(a)(iii)).

(c) **Compensation Upon Termination by Bank.**

(iv) **Termination For Cause.** If the Executive is terminated For Cause, then all compensation and benefits payable to the Executive (other than the payment of benefits that accrued and were vested prior to termination) shall cease.

(v) **Termination Without Cause.**

a. If the Executive is terminated Without Cause, then, subject to Section 7(c)(ii)(b), the Executive shall receive either: (1) the sum equivalent to his annual Base Salary in effect immediately preceding such termination; or (2) the sum equivalent to his annual Base Salary in effect immediately preceding such termination for each year or portion of a year then remaining in the Initial Term; whichever is greater (the "**Termination Compensation Part One**"). All benefits shall cease. Payment of the Termination Compensation Part One shall be made in twelve (12) equal monthly installments beginning on the Bank's first regular payroll date (but not more than thirty (30) days) following the Executive's termination of employment. In addition, if the Executive is terminated Without Cause or if he resigns for Good Reason following a Change in Control, then Executive shall receive an additional sum equal to the excess, if any, of 299% of the Executive's "annualized includible compensation for the base period" as defined in IRC section 280G, over the Termination Compensation Part One ("**Termination Compensation Part Two**"). Termination Compensation Part Two shall be paid in twelve (12) equal monthly installments at the same time as Termination Compensation Part One is paid. Together, Termination Compensation Part One and Termination Compensation Part Two shall be referred to as Termination Compensation.

b. Notwithstanding anything in this Agreement to the contrary:

i. If the Executive is at anytime in breach of either Section 12 or Section 13 of this Agreement, then the Executive shall not thereafter be entitled to receive any Termination Compensation, any stock which may vest, or any other compensation or benefits and, if such breach occurs within

twelve months of the Executive's termination of employment, the Executive shall repay to the Bank any Termination Compensation and all vested stock previously received.

- ii. If the Executive engages in any activity seeking to establish a Competitive Business in the Trade Area during the Non-Compete Period (as those terms are hereafter defined), the Executive shall not be entitled to any Termination Compensation nor any stock which may vest and shall repay to the Bank any Termination Compensation and all vested stock previously received.
- iii. The Bank shall not be required to make payment of the Termination Compensation or any portion thereof to the extent such payment is prohibited by applicable banking regulations or to the extent that any other governmental approval of the payment required by law is not received.
- iv. Termination by the Bank pursuant to this Section 7 shall not constitute a breach of any provision of this Agreement.

(vi) Termination Upon Disability.

No severance payments shall be paid if termination is due to Disability. However, if the Executive is terminated due to Disability, all of Executive's unvested shares of the Bank's stock that were granted to the Executive by the Bank as compensation and that have not previously been forfeited will immediately vest notwithstanding any provision in any restricted stock agreement to the contrary.

**Section 8. Termination by Executive.**

(a) Definitions:

- (i) The Executive may terminate his employment "**For Good Reason**" or "**For Other Reason**", as hereinafter defined.
- (ii) "**For Good Reason**" shall mean:
  - (1) Except as provided herein, the assignment of duties and responsibilities to the Executive by the Bank which are inconsistent with the position referred to in Section 1(a) above or which result in the Executive's having significantly less authority or responsibility than he has on the date hereof, without his advance and express written consent;

- (2) The removal of the Executive from or any failure to re-elect him to the positions of Chief Financial Officer and Executive Vice President of the Bank other than for Cause;
- (3) The removal of the Executive from, or any failure of the Executive to be endorsed and recommended by the Bank for election to the Bank's Board of Directors;
- (4) The Bank's moving its principal office outside of Fairfax County, Virginia;
- (5) A reduction by the Bank of the Executive's annual Base Salary unless salaries for all employees are reduced, and the Executive's salary is reduced proportionately;
- (6) The failure of the Bank to provide the Executive with substantially the same fringe benefits that are provided Executive at the inception of his employment; except as a result of severe financial distress that leads to a general decrease in the level of benefits of all or substantially all of the Bank's employees;
- (7) Failure to cure a material breach by the Bank of a material term of this Agreement after 30 days written notice of the breach;
- (8) Failure by any successor entity (an entity that assumes the assets or business of the Bank pursuant to an acquisition of any kind including, without limitation, acquisition of assets or merger) to assume and agree to perform this Agreement in its entirety; or
- (9) The occurrence of a Change of Control.

(iii) **"For Other Reasons"** shall mean for any reason other than for Good Reason.

(iv) For all purposes of this Agreement, a **Change of Control** shall be deemed to occur when a majority of the members of the Board of Directors are changed within six (6) months after a "Control Group Acquisition" or a "Reorganization" as hereinafter defined. Provided, however, that in determining whether there has been a change in a majority of Directors, a Director whose election or nomination was approved by two thirds of the Directors in office prior to the Control Group Acquisition or Reorganization shall not be deemed a new Director.

(1) A **"Control Group Acquisition"** shall mean the acquisition by an individual, entity or group of beneficial ownership of securities of the Bank representing 20% or more of the combined voting power of the then outstanding securities that may be cast for the election of Directors of the

Bank, but excluding (i) acquisitions directly from the Bank (except by conversion privilege), and (ii) acquisitions by an employee benefit plan or trust sponsored or maintained by the Bank. A “group” shall have the same meaning as under Section 13(d)(3) or 14(d) of the Securities Exchange Act of 1934 and “beneficial ownership” shall have the same meaning as under Rule 13d-3 promulgated pursuant to said Act.

(2) A “**Reorganization**” shall mean approval by the Bank’s shareholders of either a reorganization, merger, share exchange or consolidation of the Bank by, with, or into another corporation; or the sale, assignment or other disposition of all or substantially all of the assets of the Bank. Provided, however, that a Reorganization shall not include a transaction that would otherwise be a Reorganization if upon consummation of the transaction more than 60 percent of the outstanding shares of common stock of the corporation resulting from the reorganization are then owned (directly or indirectly) by all or substantially all the shareholders who were owners of the Bank prior to the reorganization.

For purposes of this Agreement, a Change of Control occurs on the date on which an event described in Section 8(a)(iv)(1) or 8(a)(iv)(2) occurs. If a Change of Control occurs on account of a series of transactions or events, then the Change of Control occurs on the date of the last of such transactions or events.

- (b) **Notice by Executive.** In all events, the Executive shall provide the Bank with not less than sixty (60) days notice of termination. Provided, however, that subsequent to receipt of said notice, the Executive may be relieved of his duties and assigned alternate duties by the Board of Directors.
- (c) **Compensation Upon Termination by Executive.** If the Executive terminates “For Good Reason”, he shall receive the same compensation and benefits upon termination that he would receive as if he were terminated Without Cause and would also be subject to the same provisions as set forth in Section 7(c)(ii)(b). If the Executive terminates for “Other Reasons”, his compensation and benefits shall cease upon termination.

**Section 9. Termination Upon Death.** This Agreement shall terminate upon the death of the Executive; provided, however, that in such event the Bank shall pay to the estate of the Executive within 60 days of death the compensation including salary and accrued bonus, if any, which otherwise would have been payable to the Executive through the end of the month in which his death occurs. Upon the death of the Executive during the term of this Agreement, all of Executive’s unvested shares of the Bank’s stock that were granted to the Executive by the Bank as compensation and that have not previously been forfeited will immediately vest notwithstanding any provision in any restricted stock agreement to the contrary.

## **Section 10. Other Provisions Relating to Termination.**

(a) Notwithstanding the termination of the Executive's employment pursuant to any provision of this Agreement, the Parties shall be required to carry out any provisions of this Agreement which contemplate performance by them subsequent to such termination. In addition, no termination shall affect any liability or other obligation of either Party which shall have accrued prior to such termination, including, but not limited to, any liability, loss or damage on account of breach, subject to the limitation on damages set forth below. No termination of employment shall terminate the obligation of the Bank to make payments of any vested benefits provided hereunder or the obligations of the Executive under Sections 12, 13, and 14.

(b) Notwithstanding anything herein to the contrary, the Executive acknowledges and agrees that the payment by the Bank of the Termination Compensation shall constitute liquidated damages for, and shall be the Executive's sole and exclusive remedy for, (1) the termination of the Executive by the Bank Without Cause or (2) the occurrence of any fact or circumstance constituting Good Reason, including without limitation any breach of this Agreement by the Bank. The parties agree that it would be difficult or impossible to ascertain damages in the event of a breach by the Bank and, accordingly, the parties have, through negotiation of this Agreement, established liquidated damages which they agree are a fair estimate of damages and not a penalty.

(c) It is the intention of the Parties that no payment be made or benefit provided to the Executive pursuant to this Agreement that would constitute an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code (the "Code") and any regulations thereunder, thereby resulting in a loss of an income tax deduction by the Bank or the imposition of an excise tax on the Executive under Section 4999 of the Code. If the independent accountants serving as auditors for the Bank on the date of a Change of Control (or any other accounting firm designated by the Bank only because such determination by the auditors would be violative of auditor independence rules) determine that some or all of the payments or benefits scheduled under this Agreement, as well as any other payments or benefits on a Change of Control, would be nondeductible by the Bank under Section 280G of the Code, then the payments scheduled under this Agreement will be reduced to one dollar less than the maximum amount which may be paid without causing any such payment or benefit to be nondeductible. The determination made as to the reduction of benefits or payments required hereunder by the independent accountants shall be binding on the Parties. Any reduction of benefits or payments required to be made under this Section 10(c) will be taken in the following order: first from payments or benefits that are equity compensation and, if necessary, second from payments or benefits that are cash compensation.

(d) Notwithstanding any other provision of this Agreement, no payments under this Agreement that are to be paid upon the Executive's termination of employment shall be paid to the Executive until the Executive has experienced a "separation from service", as defined in Code Section 409A, from the Bank or an affiliate who is treated as the employer under Code Section 409A (collectively for this purpose, the "Bank"). A separation from service shall not occur under Code Section 409A unless such Executive has completely severed his employment or contractor relationship with the Bank or Executive has permanently decreased his services (via his employment relationship or his consulting relationship) to 20% or less of the average

level of bona fide services over the immediately preceding 36 month period (or the full period if the Executive has been providing services for less than 36 months). A leave of absence shall only trigger a termination of employment that constitutes a separation from service at the time required under Code Section 409A.

### **Section 11. Suspension.**

If the Executive is suspended and/or temporarily prohibited from participating in the conduct of the Bank's affairs by a notice served pursuant to the Federal Deposit Insurance Act, then the Bank's obligations under this Agreement shall be suspended as of the date of service unless the Executive's suspension or prohibition is stayed by appropriate proceedings. If the charges in the notice are dismissed, then the Bank (i) will pay to the Executive all of the compensation withheld while the Bank's contract obligations were suspended, and (ii) reinstate (in whole) any of its obligations which were suspended. Nothing in this Section 11 shall be construed to limit the Bank's right, pursuant to Section 7(a)(i)(5) to declare a suspension of the Executive lasting longer than sixty (60) days as Cause for termination.

**Section 12. Confidentiality/Nondisclosure.** The Executive covenants and agrees that any and all information concerning the customers, businesses and services of the Bank of which he has knowledge or access as a result of his association with the Bank in any capacity (including, without limitation, information concerning the Bank's trade secrets, business operations and operating methods, business records, customer lists or other customer information, research projects, costs, pricing, financial data, business plans and proposals, data and information the Bank receives in confidence from any other party and, or any other information which is treated as confidential by the Bank) ("**Confidential Information**") is the sole and exclusive property of the Bank. The Executive shall not, without the prior written consent of the Bank, directly or indirectly use, disseminate, disclose or publish such Confidential Information to third parties other than in connection with the usual conduct of the business of the Bank. Such information shall expressly include, but shall not be limited to, information concerning the Bank's trade secrets, business operations, business records, customer lists or other customer information. Upon termination of employment, the Executive shall deliver to the Bank all originals and copies of documents, forms, records or other information in Executive's possession, in whatever form it may exist, concerning the Bank or its business, customers, products or services, without retaining any copies. The Bank shall have the right to review the Executive's personal files, on demand, to evaluate compliance with this provision. In construing this provision it is agreed that it shall be interpreted broadly so as to provide the Bank with the maximum protection. This Section 12 shall not be applicable to any information which, through no misconduct or negligence of the Executive, has previously or subsequently been disclosed to the public by anyone other than the Executive. The provisions of this Section shall expressly survive termination of this Agreement for any reason, including breach of this Agreement by the Bank.

### **Section 13. Covenants Not to Compete and Not to Solicit.**

(a) The Executive covenants and agrees that during the term of his employment, and for a period of twelve (12) months from and after the date that the Executive ceases to be employed by

the Bank for any reason (the “**Non-Compete Period**”), he will not, directly or indirectly, in any individual or representative capacity whatsoever: (i) be directly or indirectly employed by a Competitive Business (as defined below) as an employee, consultant or in any other capacity to provide or undertake those duties customarily performed by a director, president, vice-president, chief executive officer, chief financial officer or loan officers of the Bank anywhere within a thirty-five (35) air mile radius of any office operated by the Bank on the date the Executive’s employment terminates (the “**Trade Area**”); (ii) solicit, or assist any other person or business entity in soliciting, any depositors or other customers of the Bank to make deposits in or to become customers of any other financial institution conducting a Competitive Business; or (iii) knowingly induce any individuals to terminate their employment with the Bank or its Affiliates, each of the aforesaid being deemed a “**Competitive Activity**”. The term “**Competitive Business**” means provision of those banking products and services that are substantially similar to those offered by the Bank on the date that the Executive’s employment terminates. The Executive further agrees that if the Executive violates this Section 13 during the Non-Compete Period, the Non-Compete Period shall be extended by an amount of time equal to the length of the period of any such violation(s).

(b) The Executive hereby covenants and warrants that the covenants and restrictions set forth in Section 13(a) are the product of negotiation between the Executive and the Bank and, in light of the Executive’s position as a founding Director and Chief Financial Officer and Executive Vice President of the Bank, are reasonable (as to geographic scope, scope of activity, and duration) and necessary for the protection of the Bank’s legitimate business interests, including the protection of the significant investment of the Bank in developing, maintaining and expanding its business. The Executive represents and warrants to the Bank that the covenants and restrictions set forth in Section 13(a) do not and will not unreasonably interfere with the Executive’s ability to earn a livelihood.

#### **Section 14. Injunctive Relief, Damages, Etc.**

(a) The Parties agree that in the event of any breach by the Executive of any of the provisions of Sections 12 or 13 that monetary damages alone will not adequately compensate the Bank for its losses and, therefore, that it may seek any and all legal or equitable relief available to it, specifically including, but not limited to, injunctive relief. The covenants contained in Sections 12 and 13 shall be construed and interpreted in any judicial proceeding to permit their enforcement to the maximum extent permitted by law. Should a court of competent jurisdiction determine that any provision of the covenants and restrictions set forth in Section 13 is unenforceable as being overbroad as to time, area or scope, then the Parties agree that they shall enter into an amendment to this Agreement for the purpose of rendering such provision enforceable to the maximum extent permitted by law. The Parties acknowledge and agree that the foregoing obligation to amend this Agreement shall survive the entry of any order or decree finding Section 13 to be unenforceable.

(b) Nothing in this Section 14 will limit the right of a Party to obtain from a court of competent jurisdiction any equitable relief such as an injunction, nor shall this Section 14 be construed to impair or otherwise affect any indemnification rights either Party may have against the other arising under the Bank’s articles of incorporation or bylaws or pursuant to any other written agreement between the Parties not superceded by this Agreement.

**Section 15. Binding Effect/Assignability.** This Agreement shall be binding upon and inure to the benefit of the Bank and the Executive and their respective heirs, legal representatives, executors, administrators, successors and assigns, but neither this Agreement, nor any of the rights hereunder, shall be assignable by the Executive or any beneficiary or beneficiaries designated by the Executive. The Bank will require any successor (whether direct or indirect, by purchase, merger, consolidation, share exchange or otherwise) to all or substantially all of the business, stock or assets of the Bank (a “**Successor Entity**”), by agreement in form and substance reasonably satisfactory to the Executive, to expressly assume and agree to perform this Agreement in its entirety.

**Section 16. Governing Law.** This Agreement shall be subject to and construed in accordance with the laws of the Commonwealth of Virginia, without giving effect to its principles of conflict of laws.

**Section 17.** The parties will enter into a separate indemnification agreement regarding the Executive’s status as a Bank director and officer.

**Section 18. Invalid Provisions.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the validity or enforceability of any other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

**Section 19. Notices.** Any and all notices, designations, consents, offers, acceptance or any other communications provided for herein (“**Notices**”) shall be given in writing and shall be deemed properly delivered if delivered in person or (i) in the case of Notices deliverable to the Bank, by overnight delivery by a reputable carrier to the Chairman of the Board of Directors at his or her personal address as set forth in the books and records of the Bank, with a copy to Michael R. Vanderpool, Esq., Vanderpool, Frostick & Nishanian, P.C., 9200 Church Street, Suite 400, Manassas, Virginia 20110 and (ii) in the case of Notices to the Executive, by registered or certified mail, return receipt requested, addressed to his last known address.

**Section 20. Entire Agreement.**

(a) This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or in writing, among the Parties with respect to the subject matter hereof.

(b) This Agreement may be executed in one or more counterparts, each of which shall be considered an original copy of this Agreement, but all of which together shall evidence only one agreement.

**Section 21. Amendment and Waiver.** This Agreement may not be amended except by an instrument in writing signed by or on behalf of each of the Parties. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person or Party to be charged.

**Section 22. Interpretation.** The meaning assigned to each term defined in this Agreement will be equally applicable to both the singular and the plural forms of the term.

Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The headings in this Agreement are for reference only and will not affect this Agreement's interpretation. Underscored references to Articles, Sections, Subsections, clauses, Exhibits or Schedules refer to those portions of this Agreement, and any underscored references to a Subsection or clause, unless otherwise identified, refer to the appropriate Subsection or clause within the same Section in which the reference occurs. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, then this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

**Section 23. Code section 409A Provisions.** If it should be determined that any payment or benefit under this Agreement constitutes a "deferral of compensation" subject to Code Section 409A, then, notwithstanding anything in this Agreement to the contrary, if Executive is a "specified employee" (within the meaning of Code Section 409A and as determined by the Bank in accordance with Code Section 409A) at the time of Executive's separation from service (as defined in Section 10(d) above), the distribution of any payment or benefit under this Agreement on account of Executive's termination of employment shall be made no earlier than the date which is 6 months after the date of Executive's separation from service (or, if earlier than the end of such 6-month period, the date of Executive's death). To the extent any payment or benefit hereunder is subject to the 6-month delay, such payment or benefit shall be paid immediately after the end of such 6-month period (or the date of death, if earlier). If any payment or benefit is delayed under this Section 23, then interest shall be paid on the amount delayed calculated at the prime rate reported in The Wall Street Journal for the date of the Executive's termination to the date of payment. The provisions of this Agreement governing any payment or benefit constituting a "deferral of compensation" shall be interpreted and operated consistently with the requirements of Code Section 409A.

**IN WITNESS WHEREOF**, the Bank has caused this Employment Agreement to be signed and sealed by its duly authorized officer and the Executive has hereunto set his hand and seal on the day and year first above written.

**BANK:**

**MAINSTREET BANK**

By: \_\_\_\_\_ (SEAL)

Name: Barbara Davis Blum

Title: Chairman

ATTEST: \_\_\_\_\_

**EXECUTIVE:**

\_\_\_\_\_  
**THOMAS J. CHMELIK** (SEAL)

WITNESS: \_\_\_\_\_