

March 9, 2009

Mr. Neil M. Barofsky  
Special Inspector General  
Trouble Asset Relief Program  
1500 Pennsylvania Ave., N.W.  
Suite 1064  
Washington, DC 20220

*Via Electronic Mail*  
SIGTARP.response@do.treas.gov  
and First-Class Mail

Re: WashingtonFirst Bank's Response to Request for Information from the Office of the Special Inspector General for the Troubled Asset Relief Program ("SIGTARP")

Dear Mr. Barofsky:

This shall constitute WashingtonFirst Bank's ("WFB" or the "Bank") written response to your request for information dated February 6, 2009.

**1.(a). Anticipated Use of TARP Funds.**

WFB is a relatively young institution, commencing banking operations in April 2004. In the ensuing 4 years the Bank has grown substantially as a result of branch and whole bank acquisitions together with organic growth in deposits, loans, and *de novo* branching. WFB became profitable during its fifth quarter of operations, and has been profitable every quarter since.

As a consequence of our measured growth, the Bank began to approach its minimum capital ratios during the second half of 2008. Absent additional capital, by 2009 the Bank would not have been able to continue its sustained asset growth and maintain its status as a "well-capitalized" institution.

The opportunity to acquire additional capital through the TARP CPP program allowed the Bank to continue its objective of growing the business of the Bank while still maintaining its well-capitalized status. The Bank plans to leverage the additional capital represented by the TARP funds, to increase its lending to creditworthy borrowers and customers within the Bank's primary market area.

**1.(b). Segregation of TARP Funds.**

While the TARP Funds are not physically segregated from other funds of the Bank, we are tracking separately the incremental increase in lending capacity supported by the TARP Funds. We plan to provide periodic accounting of the lending activity attributable to the increased capital to the Board of Directors and to shareholders at least quarterly.

**1.(c). Actual Use of TARP Funds to Date.**

The Bank received TARP Funds totaling \$6.633 million on January 30, 2009. As noted above, the TARP Funds represent additional capital of the Bank. Since January 30, 2009, the Bank has made new loans totaling \$1,567,320 to qualified borrowers.

**1.(d). Expected Use of Unspent TARP Funds.**

The Bank expects to use the additional capital in a manner consistent with the deployment of the Bank's existing capital and its overall business strategy. The added capital increases the Bank's legal lending limit to a single borrower, and also supports an overall increase in lending consistent with minimum capital ratios. The Bank expects to take full advantage of Treasury's investment by making loans, supported by adequate deposits, to qualified small businesses, professionals and consumers within the Bank's primary service area.

**2. Executive Compensation Requirements**

Your request for information includes a request that the Bank describe its specific plans, and the status of implementation of those plans, for addressing the executive compensation requirements associated with funding under the TARP CPP Program. Pursuant to the guidelines currently available on the Treasury Department website<sup>1</sup> the Bank, as a CPP participant, must meet the appropriate standards for executive compensation and corporate governance as set forth by the Secretary of the Treasury during the period that Treasury holds an equity position in the Bank.

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<sup>1</sup> Pursuant to the Q&A Regarding the February 6, 2009 SIG TARP Letter Posted by the American Bankers Association on its website, [http://www.sig tarp.gov/reports/audit/2009/Questions\\_and\\_Answers\\_Regarding\\_Use\\_of\\_Funds\\_Request\\_Letter.pdf](http://www.sig tarp.gov/reports/audit/2009/Questions_and_Answers_Regarding_Use_of_Funds_Request_Letter.pdf), responses to the letter from SIGTARP regarding executive compensation are to be submitted in accordance with the guidelines currently available from the Treasury Department website.

Specifically, Section 111(b)(2) of the Emergency Economic Stabilization Act of 2008 ("EESA")<sup>2</sup> requires that the Bank satisfy three separate criteria:

Under Section 111(b)(2)(A) of EESA, the Senior Executive Officers ("SEO") of the Bank may not receive incentive compensation which encourages unnecessary and excessive risks that threaten the value of the Bank;

Under Section 111(b)(2)(B) of EESA any bonus or incentive compensation paid to a Bank SEOs must be subject to recovery, or "clawback", based on statements of earnings, gains, or other criteria that are later proven to be materially inaccurate.

Under Section 111(b)(2)(C) of EESA the Bank is prohibited from making any "golden parachute" payment to a SEO.

As a condition to the closing of the Bank's participation in the TARP CPP transaction, the Bank was required to have effected such changes to its compensation, bonus, incentive and other benefit plans, arrangements and agreements (including golden parachute, severance and employment agreements) (collectively, the "Benefit Plans") with respect to its Senior Executive Officers (and to the extent necessary for such changes to be legally enforceable, each of its Senior Executive Officers shall have duly consented in writing to such changes), as may be necessary to comply with Section 111(b) of the EESA and the CPP Guidance during the period that the Treasury owns any debt or equity securities of the Bank acquired pursuant to the Purchase Agreement and the related Warrant (the "CPP Covered Period").

As a preliminary matter, in connection with the closing of the TARP CPP funding, each of the five Bank SEOs executed a Senior Executive Officer Waiver voluntarily waiving any claims against the United States or the Bank for any changes to the compensation or benefits payable to such SEO that are required to comply with the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008.

In addition, each SEO has entered into an Executive Letter Agreement with the Bank agreeing to the restrictions imposed by Section 111(b) of EESA, and expressly agreeing to the amendment of their Benefit Plans as necessary to comply with those provisions.

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<sup>2</sup> The recently enacted American Recovery and Reinvestment Act of 2009 ("ARRA") made significant changes to the EESA. Specifically, new Section 111(e) requires annual shareholder approval of executive compensation and the disclosure of executive compensation information in proxy materials. The Bank's proxy materials are to be submitted to its printer for publication and mailing two (2) days from the date of this response. Since the disclosures required by Section 111(e) are to be made consistent with the "compensation disclosure rules of the [Securities and Exchange] Commission," the Bank, as a non-SEC Registrant, is not including such disclosures in its proxy materials.

Copies of the Executive Letter Agreements are attached hereto as Exhibit A and incorporated herein by reference.<sup>3</sup>

Finally, in accordance with the provisions of Section 111(b)(2) of EESA, the Bank's Human Resources Committee will convene within the time prescribed therein to review the compensation arrangements of the SEOs with the Bank's senior risk officers or other personnel acting in a similar capacity, to ensure that SEOs are not encouraged to take unnecessary and excessive risks that could threaten the value of the Bank. Thereafter, the Bank's board of directors will meet at least semiannually to discuss and evaluate employee compensation plans in light of an assessment of any risk posed to the Bank. The Bank's CEO and CFO will provide the requisite certification that the Bank is in compliance with the requirements of EESA and ARRA.

In further support of the Bank's responses to your request, we are including copies of the following, attached hereto collectively as Exhibit B<sup>4</sup>:

1. Minutes of the Board of Directors Meeting, October 20, 2008 (**Contains Confidential Information**);
2. Minutes of the Bank's Asset Liability Committee Meeting, October 27, 2008 (**Contains Confidential Information**);
3. Minutes of the Special Board of Directors Meeting, October 30, 2008 (**Contains Confidential Information**);
4. Resolution of the Board of Directors of WashingtonFirst Bank, Participation in TARP Capital Purchase Program, October 30, 2008;
5. Minutes of the Board of Directors Meeting, November 17, 2008 (**Contains Confidential Information**);
6. Minutes of the Board of Directors Meeting, January 21, 2009 (**Contains Confidential Information**);
7. Resolution of the Board of Directors of WashingtonFirst Bank, January 21, 2009;
8. WashingtonFirst Bank Press Release, "WashingtonFirst Bank Receives Preliminary Approval for \$6.6 Million under the Treasury Capital Purchase Program"; and
9. Minutes of the Executive Loan Committee, February 12, 2009 (**Contains Confidential Information**).

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<sup>3</sup> Exhibits A and B to this letter are not included in the electronic transmission. The supporting documentation along with the original Officer Certification will be mailed to the above address.


<sup>4</sup> Included with Exhibit C is a Schedule of Confidential Information specifically designating those portions of the attached materials that contain information claimed as Confidential by WashingtonFirst Bank.

Letter to Mr. Neil M. Barofsky  
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I hope the foregoing is responsive to your request. If you require any additional information, please do not hesitate to contact me directly at (b) (6) or by email at (b) (6)

Very truly yours,

WashingtonFirst Bank



Richard D. Horn  
General Counsel

Enclosures

cc: Shaza L. Andersen  
Chief Executive Officer  
WashingtonFirst Bank

Matthew R. Johnson  
Chief Financial Officer  
WashingtonFirst Bank

Letter to Mr. Neil M. Barofsky  
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**Officer Certification**

I, Richard D. Horn, certify that: I have reviewed this response and the supporting documents, and, based on my knowledge, this response and the supporting documents do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

A handwritten signature in black ink, appearing to read "Richard D. Horn", written over a horizontal line.

Richard D. Horn, General Counsel  
WashingtonFirst Bank

Letter to Mr. Neil M. Barofsky  
March 9, 2009  
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**Officer Certification**

I, Richard D. Horn, certify that: I have reviewed this response and the supporting documents, and, based on my knowledge, this response and the supporting documents do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

A handwritten signature in blue ink, appearing to read "Richard D. Horn", is written over a horizontal line.

Richard D. Horn, General Counsel  
WashingtonFirst Bank

EXHIBIT A  
EXECUTIVE LETTER AGREEMENTS



January 30, 2009

Richard D. Horn, Esq.  
General Counsel  
WashingtonFirst Bank  
11636 Plaza America Drive  
Reston, VA 22190

Dear Rick,

This letter agreement is entered into by and between Richard D. Horn ("Executive") and WashingtonFirst Bank (the "Bank") in connection with the Bank's participation in the Troubled Asset Relief Program Capital Purchase Program (the "CPP") of the United States Department of the Treasury (the "Treasury"). The Bank has determined that Executive is a Senior Executive Officer (as defined below).

The Bank intends to enter into a Letter Agreement (including the Securities Purchase Agreement – Standard Terms attached as Exhibit A thereto) (collectively, the "Purchase Agreement") with the Treasury pursuant to which the Bank will issue and sell to the Treasury shares of preferred stock of the Bank and a related warrant ("Warrant") to purchase preferred stock of the Bank. Pursuant to the Purchase Agreement, the Bank is required to meet certain executive compensation and corporate governance standards under Section 111(b) of EESA (as defined below), as implemented by guidance or regulation thereunder that has been issued and is in effect as of the Closing Date (as defined in the Purchase Agreement) (the "CPP Guidance").

As a condition to the Closing (as defined in the Purchase Agreement), the Bank is required to have effected such changes to its compensation, bonus, incentive and other benefit plans, arrangements and agreements (including golden parachute, severance and employment agreements) (collectively, the "Benefit Plans") with respect to its Senior Executive Officers (and to the extent necessary for such changes to be legally enforceable, each of its Senior Executive Officers shall have duly consented in writing to such changes), as may be necessary to comply with Section 111(b) of the EESA and the CPP Guidance during the period that the Treasury owns any debt or equity securities of the Bank acquired pursuant to the Purchase Agreement and the related Warrant (the "CPP Covered Period").

In consideration of the benefits that Executive will receive as a result of the Bank's participation in the CPP, the covenants set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Executive and the Bank hereby agree as follows:

1. *No Golden Parachute Payments.* The Bank hereby prohibits any Golden Parachute Payment (as defined below) to be paid to Executive during any CPP Covered Period.

To the extent any event occurs during the CPP Covered Period that would otherwise trigger a Golden Parachute Payment, Executive will be entitled to the lesser of (i) his rights under the Benefit Plans and (ii) the maximum amount allowed under Section 111(b)(2)(C) of EESA.

2. *Recovery of Bonus and Incentive Compensation.* Any bonus and incentive compensation paid to Executive during the CPP Covered Period is subject to recovery or "clawback" by the Bank if such bonus and incentive compensation payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, all within the meaning of Section 111(b) of EESA and the CPP Guidance.

3. *Benefit Plan Amendments.* Each of the Benefit Plans with respect to Executive is hereby amended to the extent necessary to give effect to provisions 1 and 2 of this letter agreement and as determined by the Bank's Board of Directors or the Compensation Committee thereof to be necessary to comply with Section 111(b) of EESA and the CPP Guidance, and the Executive hereby consents to such amendments to the Benefit Plans with respect to Executive.

4. *Review of Incentive Compensation Arrangements.* The Bank is required to review its Senior Executive Officer incentive compensation arrangements during the CPP Covered Period to ensure that such arrangements do not encourage its Senior Executive Officers to take unnecessary and excessive risks that threaten the value of the Bank. To the extent any such review requires revisions to any incentive compensation arrangements with respect to Executive, the Bank and if necessary, the Executive, shall take such action as is necessary to amend any such incentive compensation arrangements to eliminate any features that could lead Senior Executive Officers to take unnecessary and excessive risks.

5. *Definitions and Interpretation.* This letter agreement shall be interpreted as follows:

"*Senior Executive Officer*" means the Bank's "senior executive officers" as defined in Section 111(b)(3) of EESA and any CPP Guidance.

"*Golden Parachute Payment*" shall have the meaning in Section 111(b)(2)(C) of EESA.

"*EESA*" means the Emergency Economic Stabilization Act of 2008 as implemented by guidance or regulation issued by the Treasury and as published in the Federal Register on October 20, 2008, as in effect on the date hereof.

"*Bank*" includes any entities treated as a single employer with the Bank under 31 C.F.R. § 30.1(b) (as in effect on the Closing Date). Executive is also delivering a waiver pursuant to the Purchase Agreement, and, as between the Bank and Executive, the term "employer" in that waiver will be deemed to mean the Bank as used in this letter agreement.

"*CPP Covered Period*" shall be limited by, and interpreted in a manner consistent with, 31 C.F.R. § 30.11 (as in effect on the Closing Date).

Provisions 1 and 2 of this letter agreement are intended to, and will be interpreted, administered and construed to, comply with Section 111 of EESA (and, to the maximum extent

consistent with the preceding, to permit operation of the Benefit Plans in accordance with their terms before giving effect to this letter agreement).

6. *Miscellaneous.* To the extent not subject to federal law, this letter will be governed by and construed in accordance with the laws of the State of Texas without regard the provisions thereof that would apply the law of any other state. This letter may be executed in two or more counterparts, each of which will be deemed to be an original. A signature transmitted by facsimile shall be deemed an original signature.


7. *Termination.* If the Treasury does not purchase the securities contemplated by the Purchase Agreement, then this letter agreement shall be of no force or effect. In addition, upon such time as Treasury no longer owns any debt or equity securities of the Bank acquired pursuant to the Purchase Agreement and the related Warrant, this letter agreement shall be of no further force or effect, except to the extent required by Section 111 of EESA. If Executive ceases to be a Senior Executive Officer of the Bank for purposes of the CPP, Executive shall be released from the restrictions and obligations set forth in this letter agreement to the extent permissible under the CPP.

[*Signature Page Follows*]


This letter agreement represents the entire agreement of the parties hereto in respect of the matters made the subject hereof. To acknowledge your agreement with the provisions of this letter agreement, please sign where indicated below and return this letter agreement to the Bank, retaining a copy for your records.

Sincerely,

WASHINGTONFIRST BANK

By:   
Name: DEBORAH A. FAIRBANKS  
Title: CORPORATE SECRETARY

Intending to be legally bound, I agree with and accept the foregoing terms on the date set forth below.

By:   
Name: Richard D. Horn  
Title: General Counsel  
Date: 11/30/09



January 30, 2009

Michael M. Amin  
Senior Vice President  
WashingtonFirst Bank  
1146 19<sup>th</sup> St., N.W.  
Washington, DC 20036

Dear Mike,

This letter agreement is entered into by and between Michael M. Amin ("Executive") and WashingtonFirst Bank (the "Bank") in connection with the Bank's participation in the Troubled Asset Relief Program Capital Purchase Program (the "CPP") of the United States Department of the Treasury (the "Treasury"). The Bank has determined that Executive is a Senior Executive Officer (as defined below).

The Bank intends to enter into a Letter Agreement (including the Securities Purchase Agreement – Standard Terms attached as Exhibit A thereto) (collectively, the "Purchase Agreement") with the Treasury pursuant to which the Bank will issue and sell to the Treasury shares of preferred stock of the Bank and a related warrant ("Warrant") to purchase preferred stock of the Bank. Pursuant to the Purchase Agreement, the Bank is required to meet certain executive compensation and corporate governance standards under Section 111(b) of EESA (as defined below), as implemented by guidance or regulation thereunder that has been issued and is in effect as of the Closing Date (as defined in the Purchase Agreement) (the "CPP Guidance").

As a condition to the Closing (as defined in the Purchase Agreement), the Bank is required to have effected such changes to its compensation, bonus, incentive and other benefit plans, arrangements and agreements (including golden parachute, severance and employment agreements) (collectively, the "Benefit Plans") with respect to its Senior Executive Officers (and to the extent necessary for such changes to be legally enforceable, each of its Senior Executive Officers shall have duly consented in writing to such changes), as may be necessary to comply with Section 111(b) of the EESA and the CPP Guidance during the period that the Treasury owns any debt or equity securities of the Bank acquired pursuant to the Purchase Agreement and the related Warrant (the "CPP Covered Period").

In consideration of the benefits that Executive will receive as a result of the Bank's participation in the CPP, the covenants set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Executive and the Bank hereby agree as follows:

1. *No Golden Parachute Payments.* The Bank hereby prohibits any Golden Parachute Payment (as defined below) to be paid to Executive during any CPP Covered Period.

To the extent any event occurs during the CPP Covered Period that would otherwise trigger a Golden Parachute Payment, Executive will be entitled to the lesser of (i) his rights under the Benefit Plans and (ii) the maximum amount allowed under Section 111(b)(2)(C) of EESA.

2. *Recovery of Bonus and Incentive Compensation.* Any bonus and incentive compensation paid to Executive during the CPP Covered Period is subject to recovery or "clawback" by the Bank if such bonus and incentive compensation payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, all within the meaning of Section 111(b) of EESA and the CPP Guidance.

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"*EESA*" means the Emergency Economic Stabilization Act of 2008 as implemented by guidance or regulation issued by the Treasury and as published in the Federal Register on October 20, 2008, as in effect on the date hereof.

"*Bank*" includes any entities treated as a single employer with the Bank under 31 C.F.R. § 30.1(b) (as in effect on the Closing Date). Executive is also delivering a waiver pursuant to the Purchase Agreement, and, as between the Bank and Executive, the term "employer" in that waiver will be deemed to mean the Bank as used in this letter agreement.

"*CPP Covered Period*" shall be limited by, and interpreted in a manner consistent with, 31 C.F.R. § 30.11 (as in effect on the Closing Date).

Provisions 1 and 2 of this letter agreement are intended to, and will be interpreted, administered and construed to, comply with Section 111 of EESA (and, to the maximum extent

consistent with the preceding, to permit operation of the Benefit Plans in accordance with their terms before giving effect to this letter agreement).

6. *Miscellaneous.* To the extent not subject to federal law, this letter will be governed by and construed in accordance with the laws of the State of Texas without regard the provisions thereof that would apply the law of any other state. This letter may be executed in two or more counterparts, each of which will be deemed to be an original. A signature transmitted by facsimile shall be deemed an original signature.

7. *Termination.* If the Treasury does not purchase the securities contemplated by the Purchase Agreement, then this letter agreement shall be of no force or effect. In addition, upon such time as Treasury no longer owns any debt or equity securities of the Bank acquired pursuant to the Purchase Agreement and the related Warrant, this letter agreement shall be of no further force or effect, except to the extent required by Section 111 of EESA. If Executive ceases to be a Senior Executive Officer of the Bank for purposes of the CPP, Executive shall be released from the restrictions and obligations set forth in this letter agreement to the extent permissible under the CPP.

*[Signature Page Follows]*

This letter agreement represents the entire agreement of the parties hereto in respect of the matters made the subject hereof. To acknowledge your agreement with the provisions of this letter agreement, please sign where indicated below and return this letter agreement to the Bank, retaining a copy for your records.

Sincerely,

WASHINGTONFIRST BANK

By: 

Name: DEBORAH H. FAIRBANKS

Title: CORPORATE SECRETARY

Intending to be legally bound, I agree with and accept the foregoing terms on the date set forth below.

By: 

Name: Michael M. Amin

Title: Senior Vice President

Date: 1-30-09



EXHIBIT B  
SUPPORTING DOCUMENTATION

WashingtonFirst Bank  
Schedule of Confidential Information

In connection with WashingtonFirst Bank's Response to SIGTARP's request for information dated February 6, 2009, WashingtonFirst has provided documents and information, including minutes of Board and Committee meetings, containing confidential and proprietary information ("Confidential Information") that is exempt from disclosure under the Freedom of Information Act ("FOIA"). To facilitate the protection of such Confidential Information, WashingtonFirst provides this Schedule to identify those portions of the supporting documentation which contain Confidential Information. WashingtonFirst specifically requests that the office of SIGTARP provide notice in the event that any the information designated herein as Confidential Information becomes subject to disclosure or potential disclosure under a FOIA request.

The following documents contain Confidential Information:

1. Minutes of the Board of Directors Meeting, October 20, 2008.
  - a. Page 1 of the Minutes, 4<sup>th</sup> paragraph, (b) (4)
  - b. Page 2 of the Minutes, (b) (4)
2. Minutes of the Bank's Asset Liability Committee Meeting, October 27, 2008.
  - a. Page 1, discussion of the Bank's policy measures.
3. Minutes of the Special Board of Directors Meeting, October 30, 2008.
  - a. Page 2, (b) (4)
4. Minutes of the Board of Directors Meeting, November 17, 2008.
  - a. Pages 1 and 2, (b) (4)
  - b. Page 2, (b) (4)
  - c. Page 3, (b) (4)
5. Minutes of the Board of Directors Meeting, January 21, 2009.
  - a. Page 1 (b) (4)
  - b. Page 3 (b) (4)
6. Minutes of the Executive Loan Committee, February 12, 2009.
  - a. Pages 1 and 2, discussion of loans presented to committee.

WashingtonFirst Bank reserves the right to assert a claim of confidentiality with respect to any other materials submitted in response to SIGTARP's request for information dated February 6, 2009.

# Washington<sup>★</sup>FIRSTBANK

Board of Directors Meeting

October 20, 2008

A meeting of the Board of Directors of WashingtonFirst Bank was held on Monday, October 20, 2008 in the conference room of McKee Nelson of Washington, DC. Directors in attendance were Joseph S. Bracewell, Shaza L. Andersen, George W. Connors, Jan Naylor Cope, John H. Dalton, Gary P. Galleberg, K. C. Goel, Richard D. Horn, John J. Mahoney, Jack Mencia, Larry D. Meyers, Mark C. Michael, Madhu K. Mohan, James P. Muldoon, William C. Oldaker, Joe R. Reeder, William G. Reilly, and Gail R. Steckler. Bank officers in attendance were Michael M. Amin, Matthew R. Johnson, Deborah A. Fairbanks and Perrian Upton.

The meeting was called to order at 5:05 p.m. A quorum was present.

The minutes of the meeting of September 15, 2008 were presented for review and approval. Upon motion made, seconded and carried unanimously, the Board approved the minutes.

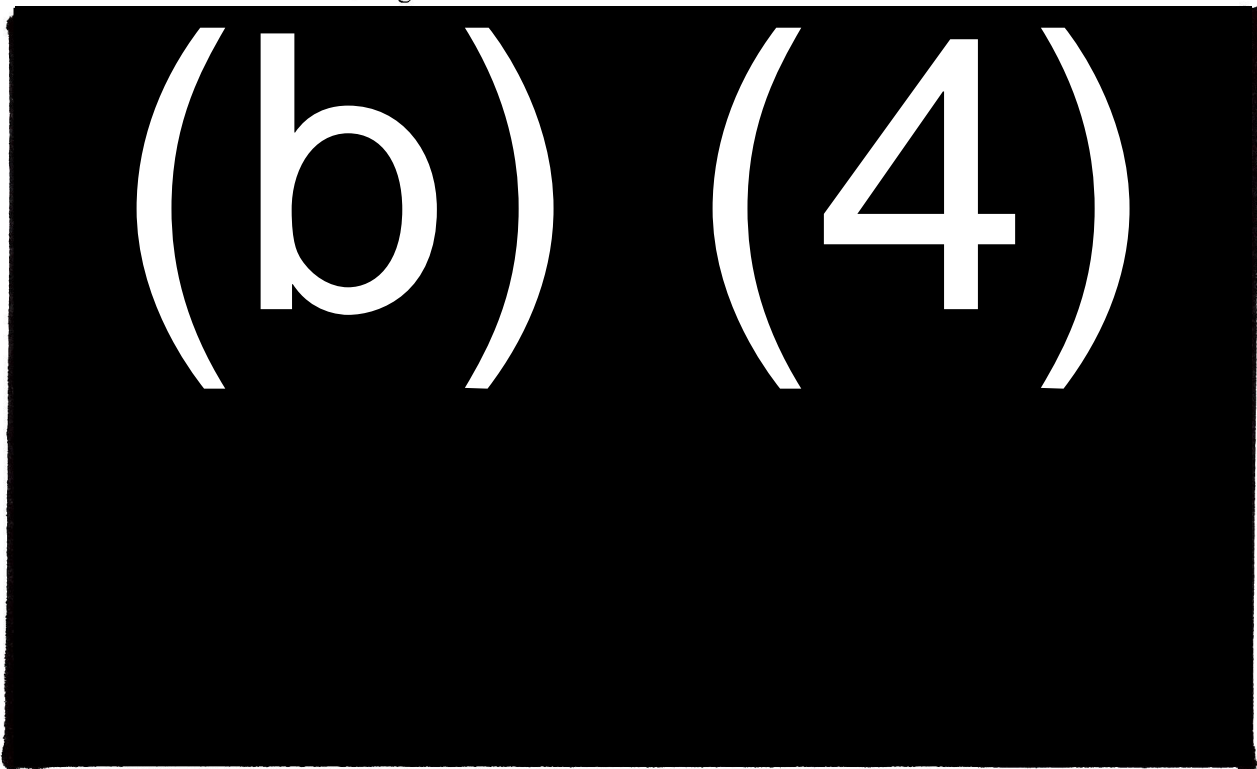
(b) (4)

Concerning the issue of capital Mr. Johnson summarized the parameters of the Treasury's Troubled Asset Relief Program ("TARP"), Capital Purchase Program. Participation in the program is voluntary by financial institutions with satisfactory CAMEL rating. The maximum amount of capital eligible for purchase by the Treasury would be equal to 3.0% of total risk weighted assets of the institution based on the 9/30/08 Call Report. An application to participate in the program is required to be filed with Treasury by November 14, 2008 and funding would occur before year end of 2008. Mr. Johnson reviewed the restrictions imposed on executive compensation, the Treasury's ownership in shares or warrants in the financial institution and the dividend to be paid out to

Treasury annually. Although the Board in discussion was favorable to participation in the program, Mr. Johnson will continue to research all aspects of the plan. Prior to November 14<sup>th</sup>, he will prepare an executive summary of this program along with an application for participation and will present to the Board for conference call discussion and vote.

A discussion on the exercise of warrants which will expire on December 30, 2008 followed. There are 400,000 warrants outstanding which if fully exercised at \$12.00 each would bring in an additional \$4.8M for capital. However, the Board fully recognized that in this economic environment it appears unlikely that all warrants would be exercised. A letter informing the warrant holders of the expiration date and the process for exercising them will be sent by month-end.

Mr. Michael left the meeting.



Ms. Cope and Mr. Dalton left the meeting.

Mr. Mencia, Audit Committee Chairman, presented the 3<sup>rd</sup> quarter Audit Committee Report. Present at the meeting on October 16, 2008 to discuss the audit process of the financial statements for the year ending December 31, 2008 were R. James Carter, Jr., partner of BDO Seidman, and Beth Watson, Manager for the BDO team for WashingtonFirst. Preliminary work will be conducted in November and December 2008 with a release of the final financial statements and opinions in March 2009. Mr. Mencia then summarized the audit findings by Professional Bank Services (“PBS”) for the 3<sup>rd</sup> quarter visit. Areas audited were Deposit Operations, New and Closed Accounts, Automated Clearing House, Account Reconciliations/Income and Expense, Official

Checks, Deposit Services, ATM/POS and Wire Transfers. Also PBS conducted an IT audit which rated a "1". The Compliance Officer reviewed the 3<sup>rd</sup> quarter internal audits and informed the Committee that all employees had completed the 3<sup>rd</sup> quarter compliance training. Mr. Mencia then informed the Board that the Audit Committee thoroughly reviewed and discussed the 2007/2008 Exam/Audit Exception Tracking Matrix.

Mr. Bracewell informed the Board that Ms. Andersen will be recognized at a reception sponsored by The Washington Business Journal on November 20, 2008 as an influential business woman in the metro DC region. The support of the Board members at the reception will be welcome. Therefore the Board and Advisory Board reception scheduled for November 20<sup>th</sup> will be rescheduled.

As Chairman of the Marketing Committee, Mr. Michael highlighted the current marketing initiatives. A longstanding initiative has been the upgrade of the Bank's website. Management has reviewed proposals from several companies for this project. Management and members of the Marketing Committee will meet with the final companies selected for the project and then determine the company to undergo the project. Mr. Michael stated that it would be important for the Bank to increase its marketing budget so that the products and services of the Bank could be broadcast to an expanded base. With regard to advertising Mr. Michael noted that to date the Bank has held a reactive posture to advertising, in particular with gathering certificate of deposit funds. With a larger marketing budget a more consistent pro-active strategy would bring stronger recognition of WashingtonFirst's products. It was also suggested that the development of a database of shareholders and customers with email addresses could be effective tool for announcing new products and press on the Bank. In conclusion Mr. Michael noted that the branding of the WashingtonFirst image was necessary in every location.

Mr. Reeder left the meeting.

Ms. Upton, BSA Officer, provided the 3<sup>rd</sup> Quarter Bank Secrecy Act & OFAC Report. Management has purchased two licenses and implemented a third party vendor product to assist in a more efficient manner of conducting OFAC/PLC inquiries. Management has filed 16 Currency Transaction Reports and 4 Suspicious Activity Reports in this quarter. Ms. Upton informed the Board that she performed a BSA/AML & OFAC Risk Assessment as of September 30, 2008 which report was thoroughly discussed at the Audit Committee meeting. She also has recently attended a seminar on the Bank Secrecy Act including Anti-Money Laundering, USA Patriot Act and OFAC Compliance.

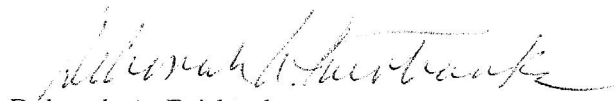
Board of Directors training on the Bank Secrecy Act, Anti-Money Laundering and Office of Foreign Assets Control ("OFAC") was provided by Ms. Upton. The Board of Directors has ultimate responsibility for compliance with this Act; however, the Board may delegate authority to management to insure daily management of risk, development of policies and training of internal staff. The Board will insure that the Bank has a thorough compliance program and a competent compliance officer to oversee the program. The Board was thoroughly engaged in the training session.

Prior to this meeting Ms. Upton emailed to the Board an executive summary of policy changes. Policies reviewed were Branch Closing, Expedited Funds Availability – Regulation CC, Reg. D – Excessive Withdrawal Policy and Procedure, Advertising & Marketing Policy, Compliant Policy & Procedure, Fair Credit Reporting Act Policy & Procedure, Mortgage Quality Control & Fraud Prevention Policy & Procedure, Privacy Policy, Electronic Funds Transfer Act Policy, ACH Risk Policy and Right to Financial Privacy Policy. After review, upon motion made, seconded and carried unanimously, the Board approved the policies.

Mr. Johnson reviewed the financial performance as of September 30, 2008. The Bank closed the 3<sup>rd</sup> quarter as the 13<sup>th</sup> consecutive quarter of profitability. Data processing expense was less than Plan due to lower network and item processing costs and personnel expense was lower due to unfilled positions and reduced 401k accrual. The provision for loan losses was higher than Plan due to additional SunTrust pool downgrades. Mr. Johnson stated that there were 2 non-accrual loans, and 4 new loans charged-off for the month. Year-to-date there have been two foreclosures. Deposits and repo balances for the month were \$13.1M less than last month and \$25.4M below Plan. Mr. Johnson reviewed the performance of the SunTrust portfolio as of 9/30/08 which indicated a weighted average yield of 11.66% and a current balance of \$3.1M (60 loans). In conclusion, Mr. Johnson reviewed peer group performance based upon 2<sup>nd</sup> quarter 2008 data. The data reviewed net interest margin, yield on average assets, cost of average assets, fee income/assets and overhead/assets.

There being no further business, the meeting adjourned at 7:00 p.m.

Respectfully submitted,



Deborah A. Fairbanks

October 27, 2008

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<b>In Attendance:</b>	Joseph Bracewell Shaza Andersen Jo Cooper	Bill Oldaker George Connors Gary Galleberg	Gail Steckler Jan Cope Matthew Johnson
Other Attendees:	K.C. Goel Jack Mahoney	Madhu Mohan	Richard Horn

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The meeting was held at the offices of McKee Nelson and called to order at 3:00pm. The Committee reviewed and approved the minutes of the July 21<sup>st</sup> meeting as submitted.

(b) (4)

Management presented an outline of the US Treasury's new TARP program. After discussion, the Committee unanimously agreed to seek TARP funds and directed management to proceed with the application subject to ratification by the Board of Directors.

Management presented an outline to extend the Bank's warrants due to expire in December 2008. Three courses of action were identified: 1) do nothing and let the warrant holders decide to exercise or not, 2) offer an extension for a fee based on a Black-Scholes model calculation, and 3) offer an extension without the fee if the warrant holder elected to exercise at least half of their warrants. After discussion, the Committee deferred the matter to a group of disinterested parties (directors) for further discussion and recommendation. The Committee members left the room, leaving Ms. Cooper, Dr. Mohan, Mr. Goel, and Mr. Mahoney to discuss this matter. After deliberation, this discussion group called the Committee members back at which time they announced their recommendation to offer the extension option to warrant holders for a fee. The Committee accepted their recommendation and moved that the matter be sent to the Board of Directors for its consideration.

Management reported that at close of the 3<sup>rd</sup> quarter, the Bank was just above minimum capital requirements to be classified as "well capitalized". This was anticipated earlier in the year. Management

has plans in place to monitor this situation closely through the 4<sup>th</sup> quarter to ensure the Bank remains well capitalized.

Management reported that one of the Bank's investment securities (Trapeza CDO XIII) is approaching the point at which it would need to be tested for impairment, and that it will monitor this situation closely and report back to the Committee with any developments.

Management reported that First Tennessee had approved the Bank for a \$5.0 million unsecured line of credit; and that efforts were under way to establish a correspondent relationship with JP Morgan in an effort to expand the number of institutions the Bank is currently working with.

There being no further business to come before the Committee, the meeting was adjourned at 5:30pm.

Matthew Johnson  
ALCO Secretary



Washington**FIRST**BANK  
Board of Directors Meeting  
October 30, 2008

A Special Board of Directors meeting was held on Thursday, October 30, 2008. Directors participating via conference call were Chairman Joseph S. Bracewell, Shaza L. Andersen, George W. Connors, Jan Cope, Gary Galleberg, K.C. Goel, Richard D. Horn, John J. Mahoney, Jack Mencia, Larry D. Meyers, Mark C. Michael, James P. Muldoon, William C. Oldaker, William G. Reilly and Gail R. Steckler. Bank officers present were Michael M. Amin, Matthew R. Johnson and Deborah A. Fairbanks.

The meeting was called to order at 8:30 a.m. A quorum was present.

Mr. Johnson began the discussion on the Bank's participation in the TARP Capital Purchase Program. A preliminary discussion on this program was held at the October 20, 2008 Board of Directors meeting and at the October 27, 2008 ALCO meeting wherein the business advantages of participating in the program had been presented. Mr. Johnson informed the Board that the Bank was eligible for participation as a Qualified Financial Institution ("QFI"). A QFI may issue senior preferred stock equal to not less than 1.0% of its risk-weighted assets and not more than, in the case of WFB, 3.0% of its risk-weighted assets. He further informed the Board that there would be a cumulative dividend of 5.0% per year until the 5<sup>th</sup> anniversary and thereafter a dividend of 9.0% per annum. The restrictions on dividends and executive compensation were outlined. Mr. Johnson also presented a summary on the issuance of warrants to the US Treasury. Application for participation in the Capital Program is due by November 14, 2008 at 5:00 p.m. A detailed summary on the Program had been previously sent to the Board for review prior to this conference call. The Board thoroughly reviewed the program and the impact on the Bank for raising capital. A Resolution of the Board authorizing senior management to prepare, execute and file all documents to participate in the Capital Purchase Program was then presented. Upon motion made, seconded and carried unanimously, the Board approved the Resolution.

A discussion on the course of action for the warrants that will expire on December 30, 2008 followed. This issue was thoroughly discussed at the October ALCO meeting. Attending that meeting with the Board members on that Committee was a special committee of disinterested directors who do not own warrants issued by the Bank in 2005. In consideration of the economic environment, a point of discussion was whether or not there should be an opportunity for the warrant holders to extend the expiration date and, if so, at what price this action should be valued. The Bank engaged Danielson Capital to determine this value. As expressly noted by Mr. Horn, this report disclosed that David Danielson, President of Danielson Capital, owns 2,323 shares of WashingtonFirst Bank common stock and 2,323 warrants to purchase the stock. Mr. Danielson's holding is small relative to the total issuance of 400,000 warrants. Mr. Horn noted that an approval to extend the expiration date would not set a precedent. The Danielson Report determined that a two year extension to December 31, 2010 at a cost of

\$1.00 per warrant would be fair. After thorough discussion on the warrant extension and with the recommendation of the special committee, a resolution to authorize appropriate Bank officers to amend Series A Warrants to include an extension of the expiration date at a cost of \$1.00 per warrant was presented. Upon motion made, seconded and carried unanimously, the Board approved the resolution.

(b) (4)

There being no further business, the meeting adjourned at 9:25 a.m.

Respectfully submitted,



Deborah A. Fairbanks

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
WASHINGTONFIRST BANK**

**Participation in TARP Capital Purchase Program**

October 30, 2008

*WHEREAS*, pursuant to authority granted under the Emergency Economic Stabilization Act of 2008, the U.S. Department of the Treasury (“Treasury”) announced on October 14, 2008, a voluntary capital purchase program pursuant to which Treasury will purchase senior preferred stock and warrants for the purchase of common stock from qualifying financial institutions that elect to participate in the program and are approved for participation, as further described in the TARP Capital Purchase Program, Senior Preferred Stock and Warrants, Term Sheet (the “Public Term Sheet”) attached hereto as Exhibit A (the “Capital Purchase Program”); and

*WHEREAS*, the Board of Directors of WashingtonFirst Bank, a qualifying financial institution (the “Bank”), has considered the business advantages of participating in the Capital Purchase Program; and

*WHEREAS*, following due consideration of the recommendations and the advice of the Bank’s accountants, attorneys, and advisors, the Board of Directors in the exercise of its business judgment has determined that it is in the best interests of the Bank and the Bank’s shareholders to submit an application to the FDIC to participate in the Capital Purchase Program.

*NOW, THEREFORE, BE IT RESOLVED*, that the Bank is hereby authorized and directed to file an application with the FDIC to participate in the Capital Purchase Program to the fullest extent permitted; and

*BE IT FURTHER RESOLVED*, that the appropriate officers of the Bank are, and each of them is, authorized and directed to do all acts and prepare, execute and file all documents as they may deem necessary or desirable to carry out the intents and purposes of the foregoing resolutions, including without limitation, (i) taking all steps necessary for the issuance of senior preferred shares of the Bank, with accompanying warrants to purchase common stock of the Bank, conforming to the terms and restrictions of the Capital Purchase Program; and (ii) all other necessary and appropriate action in connection with the Bank’s participation in the Capital Purchase Program; and

*BE IT FURTHER RESOLVED*, that the appropriate officers of the Bank are, and each of them is, authorized, empowered and directed, in the name and on behalf of the Bank, to do all acts and prepare, execute and deliver, or cause to be delivered, any and all agreements, documents, certificates, and instruments, and to take any and all steps

and to do all things that they may deem necessary or advisable in order to effect the purpose of each and all of the foregoing resolutions, and to pay any and all fees and expenses in connection therewith; and

***BE IT FURTHER RESOLVED***, that any actions taken by such officers prior to the date of this meeting that are within the authority conferred hereby are hereby ratified, confirmed and approved in all respects as the act and deed of the Bank; and

***BE IT FURTHER RESOLVED***, that the “appropriate officers” of the Bank for the purposes of the foregoing resolutions are hereby declared to be the following officers of the Bank: namely, the CEO, the President, all Senior Vice Presidents and all Vice Presidents, or any one of them.

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Washington<sup>★</sup>FIRSTBANK  
BOARD OF DIRECTORS MEETING  
NOVEMBER 17, 2008

A meeting of the Board of Directors of WashingtonFirst Bank was held on Monday, November 17, 2008, in the conference room of McKee Nelson, Washington, DC. Directors in attendance were Joseph S. Bracewell, Shaza L. Andersen, George W. Connors, Josephine S. Cooper, Gary P. Galleberg, K. C. Goel, Richard D. Horn, John J. Mahoney, Larry D. Meyers, Mark C. Michael, Madhu K. Mohan, James P. Muldoon, William C. Oldaker, Randall S. Peyton, William G. Reilly, Gail R. Steckler and Gen. (R) Johnnie E. Wilson. Directors participating via conference call were Jack Mencia and Joe R. Reeder. Bank officers present were Michael M. Amin, Matthew R. Johnson, Deborah A. Fairbanks and Perrian Upton. Also present was William E. Pommerening of RP Financial, LC.

The meeting was called to order at 5:00 p.m. A quorum was present.

(b) (4)

(b) (4)

Ms. Cooper and Mr. Pommerening left the meeting.

The minutes for the meetings of October 20, 2008 and October 30, 2008 were presented for review and approval. Upon motion made, seconded and carried unanimously, the Board approved the minutes. The financial and loan reports had previously been sent via email to the Board for their review prior to this meeting.

Mr. Johnson informed the Board that the application for the Bank to participate in the TARP Capital Purchase Program had been filed with the FDIC on October 30, 2008. He then summarized a second TARP program – Temporary Liquidity Guarantee Program. This program guarantees 100% of non-interest bearing transaction deposit accounts which would carry a 10 bps surcharge and 100% guarantee on newly issued unsecured debt which will carry a 75 bps surcharge. Guarantee under this program expires on June 30, 2009. Management recommends participation in this program. After thorough discussion upon motion made, seconded and carried unanimously, the Board approved participating in the Temporary Liquidity Guarantee Program.

(b) (4)

Mr. Johnson recommended for Board approval the addition of JP Morgan Chase as a correspondent bank. He informed the Board that all appropriate due diligence had been conducted on this bank. Upon motion made, seconded and carried unanimously, the Board approved JP Morgan as a correspondent bank.

Management has developed an IT Strategic Plan for the years 2009 – 2011. Mr. Amin stated that this is a “living” document to serve as a roadmap for the Bank’s technology infrastructure which considers the planning, testing, implementation and change processes to support the Bank’s growth, initiatives and technology changes. This Plan will be updated annually. Upon motion made, seconded and carried unanimously, the Board approved the plan.

Mr. Muldoon left the meeting.

(b) (4)

There being no further business, the meeting adjourned at 7:10 p.m.

Respectfully submitted,



Deborah A. Fairbanks

Washington<sup>★</sup>FIRSTBANK  
BOARD OF DIRECTORS  
JANUARY 21, 2009

A meeting of the Board of Directors of WashingtonFirst Bank was held on Wednesday, January 22, 2009, via conference call. Directors participating call were Chairman Joseph S. Bracewell, Shaza L. Andersen, George W. Connors, Josephine S. Cooper, John H. Dalton, Gary P. Galleberg, K.C. Goel, Richard D. Horn, John J. Mahoney, Jack Mencia, Mark C. Michael, Madhu K. Mohan, James P. Muldoon, William C. Oldaker, Joe R. Reeder, William G. Reilly and Gail R. Steckler. Bank officers present were Matthew R. Johnson, Michael M. Amin and Deborah A. Fairbanks.

The meeting was called to order at 5:05 p.m. A quorum was present.

The minutes of the meeting of December 15, 2008 were presented for review and approval. Upon motion made, seconded and carried unanimously, the Board approved the minutes.

(b) (4)



Mr. Reeder left the meeting.

Ms. Andersen informed the Board that the FDIC Safety and Soundness Examination is being conducted now at the Bank. The examiners have indicated that it is likely that the IT examination would be rated "1". Also, the examiners have reviewed the ALLL methodology and allocation and on a preliminary basis concluded that ALLL was adequate. On January 29, 2009 Ms. Andersen and executive management would have an exit meeting with the FDIC Examiner-in-Charge. The examination report will be presented to the Board at the February 2009 meeting.

The Bank has received preliminary approval from the US Department of Treasury to receive \$6.6 million as a participant in the TARP Capital Purchase Program. Mr. Horn had emailed to the Board the documents necessary for completion prior to the funding on January 30, 2009. Treasury has engaged Hughes Hubbard & Reed, LLP in New York City to review the completeness of all documentation prior to funding. Mr. Horn will submit to Hughes Hubbard the documentation by January 23, 2009. Resolutions detailing the terms and conditions for the transactions were presented for Board discussion. The Bank would issue senior preferred stock up to \$6,633,000 in aggregate liquidation value of shares with a liquidation preference of \$1,000 per share, a warrant to purchase upon net settlement up to \$331,650 in aggregate liquidation value of shares of senior preferred stock with a liquidation preference of \$1,000 per share. The stock would be issued as Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A and Series B. The Board thoroughly discussed the stock and warrant issuance along with the rate and dividend payment timeframe. Additionally, Mr. Horn reviewed a Resolution authorizing the Chief Executive Officer, the Chief Lending Officer and the Chief Financial Officer to be authorized and empowered to execute and deliver all documents necessary to effect this transaction. Upon motion made, seconded and carried unanimously, the Board approved the Resolutions. The full statement of the Resolutions is attached to these minutes.

In December 2008 the FDIC conducted a Compliance Examination. Ms. Andersen was pleased to report to the Board that the Bank received a rating of "1". She reviewed each component of the examination report. The report noted that Board and management oversight of compliance was strong. Audit reports and compliance reports are reported to the Audit Committee and then to the full Board. Compliance policies and procedures are adequate and it was noted that training was effective. The examiners recommended enhancing the compliance program and drafting policies and procedures for Truth in Lending, Home Mortgage Disclosure Act, Real Estate Settlement Procedures Act, Truth in Savings and Homeownership Counseling. Management has drafted the appropriate policies and programs which will be presented at the next Board meeting. Ms. Andersen reviewed the cited violations relating to the Home Mortgage Disclosure Act and the Real Estate Settlement Procedures. Management will implement the recommendations of the examiners.

The 2008 4<sup>th</sup> Quarter Bank Secrecy Act Report was presented by Mr. Amin. During this quarter the Bank filed 27 Current Transaction Reports and 1 Suspicious Activity Report.

Professional Bank Services performed a BSA/AML/CIP/OFAC independent testing in November 2008. No major issues were identified in the report that was discussed at the Audit Committee meeting on January 15, 2009.

(b) (4)

A revised Schedule of Authorized Signers was presented by Ms. Andersen. The new schedule adds Emmanuel Obe, AVP and Branch Manager of Oxon Hill, and Janell Nicholas, Assistant Branch Manager of Oxon Hill. Each employee has successfully completed his/her initial employment period and has been assigned authorities consistent with his/her position responsibilities. Upon motion made, seconded and carried unanimously, the Board approved the schedule.

Ms. Andersen informed the Board that the Bank closed the 4<sup>th</sup> quarter of 2008 with a profit. The ALLL was increased in December as a precautionary measure. Mr. Johnson stated that the BDO year-end audit was proceeding as scheduled. He did note that there is one unresolved matter of a bond that is categorized as Other Than Temporarily Impaired. Although the bond has been paying as agreed and is over-collateralized, the auditors may recommend it be written down through the income statement.

The loan pipeline was reviewed by Mr. Connors. Prior to year-end the Bank sold \$2 million in participations and to date has bought back \$500M. Management anticipates buying back the remaining participation loans by early March 2009. Mr. Connors noted that there were 3 past due loans at the close of December 31, 2008, one of which is a \$1.9 million participation loan which is currently being restructured. He did not foresee any additional construction loan issues as the portfolio is now structured.

There being no further business, the meeting adjourned at 6:05 p.m.

Respectfully submitted,

Deborah A. Fairbanks

**RESOLUTIONS OF THE BOARD OF DIRECTORS  
OF WASHINGTONFIRST BANK**

**January 21, 2009**

WHEREAS, WashingtonFirst Bank, a Virginia banking corporation (the "Bank"), has received preliminary approval from the U.S. Department of Treasury (the "Treasury") to receive additional capital by participating in the Treasury's Capital Purchase Program (the "CPP") under the Emergency Economic Stabilization Act of 2008; and

WHEREAS, as a participant in the CPP, the Bank would issue to Treasury (i) up to \$6,633,000 in aggregate liquidation value of shares of senior preferred stock with a liquidation preference of \$1,000 per share, and (ii) a warrant to purchase, upon net settlement, up to \$331,650 in aggregate liquidation value of shares of senior preferred stock of the Bank with a liquidation preference of \$1,000 per share and having an exercise price of \$5.00 per share (the "Warrant"); and

WHEREAS, the receipt of the funding is subject to the Bank's acceptance of the terms of certain agreements, including a Letter Agreement between the Bank and the Treasury regarding the Bank's participation in the CPP (the "Letter Agreement"), a Securities Purchase Agreement pursuant to which the Treasury would purchase securities from the Bank (the "Securities Purchase Agreement"), the Warrant, Articles of Amendment to the Articles of Incorporation of the Bank related to the senior preferred stock to be purchased by the Treasury (the "Amendment") and related documents (the Letter Agreement, Warrant, Securities Purchase Agreement, Amendment and related documents being collectively referred to herein as the "CPP Documents"), and satisfaction of certain closing conditions; and

WHEREAS, the Board of Directors of the Bank has received, reviewed and discussed the forms of the CPP Documents that would govern the Bank's participation in the CPP and the transactions contemplated thereby; and

WHEREAS, the Board of Directors of the Bank, having duly considered and evaluated the terms and conditions of the proposed transactions as set forth in and contemplated by the CPP Documents, and believing that it is advisable and in the best interests of the Bank and its shareholders to enter into the CPP Documents and to take any and all actions that may be necessary, appropriate, convenient or desirable to consummate the transactions contemplated by the CPP Documents;

***Approval of CPP Documents***

NOW, THEREFORE, BE IT

RESOLVED, that the form, terms and provisions of the CPP Documents, in substantially the forms presented to the Board of Directors, and the transactions contemplated thereby, pursuant to which the Bank will issue to Treasury (i) up to \$6,633,000 in aggregate liquidation value of shares of senior preferred stock of the Bank, with a liquidation preference of \$1,000 per share, and (ii) a warrant to purchase, upon net settlement, up to \$331,650 in aggregate liquidation value of shares of senior preferred stock of the Bank with a liquidation preference of \$1,000 per

share and having an exercise price of \$5.00 per share, with such changes, additions or deletions as the Authorized Officers (as hereinafter defined) shall approve as necessary, appropriate, convenient or desirable, be and they hereby are authorized, approved, ratified and confirmed; and further

RESOLVED, that the Chief Executive Officer, the Chief Lending Officer, and the Chief Financial Officer (each, an "Authorized Officer") be, and each of them hereby is, authorized and empowered to execute and deliver the CPP Documents and all other documents, agreements and instruments described in or necessarily contemplated by the CPP Documents (the "Ancillary Documents"), in the name of and on behalf of the Bank, with such changes, additions or deletions as such Authorized Officer, in his or her sole discretion, shall deem necessary, appropriate, convenient or desirable, and to take such other lawful actions and execute, deliver and perform such other documents, instruments and agreements as the Authorized Officer shall approve as necessary, appropriate, convenient or desirable in connection with the transactions contemplated by the foregoing resolutions, such approval to be conclusively evidenced by the signature of an Authorized Officer thereon; and the Bank be and it is hereby authorized and empowered to perform its obligations under the CPP Documents and the Ancillary Documents; and further

#### *Creation, Issuance and Sale of the Preferred Stock*

RESOLVED, that pursuant to the provisions of the Articles of Incorporation and Bylaws of the Bank and applicable Virginia law, the Board of Directors be, and hereby is, authorized and empowered, in the name of and on behalf of the Bank, to take any and all action and do or cause to be done any and all things they shall deem necessary, appropriate, convenient or advisable in order to establish a series of the Bank's preferred stock, par value \$5.00 per share, which shall be designated the "Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A" (the "Series A Preferred Stock"), and a series of the Bank's preferred stock, par value \$5.00 per share, which shall be designated the "Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series B" (the "Series B Preferred Stock"), including without limitation determining the designation and number of shares of such series, the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions of the shares of the Series A Preferred Stock and the Series B Preferred Stock, and to offer, issue and sell shares of the Series A Preferred Stock and Series B Preferred Stock in connection with participation in the CPP; and further

RESOLVED, that the resolutions set forth on Exhibit A hereto establishing the material terms of the Series A Preferred Stock and the Series B Preferred Stock be and hereby are adopted in all respects as if set forth in its entirety herein; and further

RESOLVED, that each of the Authorized Officers be and hereby is authorized and empowered, by and on behalf of the Bank, to prepare and execute the Amendment incorporating the information contained in the resolutions set forth on Exhibit A and file or cause to be filed the same with the State Corporation Commission of Virginia; and further

RESOLVED, that the shares of Series A Preferred Stock, when issued pursuant to the Amendment and in accordance with the Securities Purchase Agreement and other CPP

Documents against receipt of the consideration therefor as provided therein, shall be in all respects duly and validly issued, fully paid and nonassessable shares of Series A Preferred Stock of the Bank; and further

***Form of Series A Preferred Stock Certificate***

RESOLVED, that the form of Series A Preferred Stock certificate, in substantially the form set forth on Exhibit B hereto, be and it hereby is approved and adopted in all respects as the form of certificate representing shares of Series A Preferred Stock of the Bank; and the President and Secretary of the Bank be and hereby are authorized and empowered, for and on behalf of the Bank and as contemplated by the CPP Documents, to execute (by hand or by facsimile) and deliver to the Treasury stock certificates representing the number of shares of Series A Preferred Stock purchased by the Treasury pursuant to the Securities Purchase Agreement, each such stock certificate to be in the form approved hereby and, if required by law or the Bylaws of the Bank, to bear the impression (by facsimile or otherwise) of the Bank's corporate seal; and further

***Form of Series B Preferred Stock Certificate***

RESOLVED, that the form of Series B Preferred Stock certificate, in substantially the form set forth on Exhibit C hereto, be and it hereby is approved and adopted in all respects as the form of certificate representing shares of Series B Preferred Stock of the Bank; and the President and Secretary of the Bank be and hereby are authorized and empowered, for and on behalf of the Bank and as contemplated by the CPP Documents, to execute (by hand or by facsimile) and deliver to the Treasury stock certificates representing the number of shares of Series B Preferred Stock purchased by the Treasury upon the exercise of the Warrant in accordance with its terms, each such stock certificate to be in the form approved hereby and, if required by law or the Bylaws of the Bank, to bear the impression (by facsimile or otherwise) of the Bank's corporate seal; and further

***Issuance of Warrant and Reservation of Preferred Stock Underlying the Warrant***

RESOLVED, that each of the Authorized Officers be and hereby is authorized and empowered, in the name of on behalf of the Bank, to execute and deliver the Warrant in the manner contemplated by the CPP Documents; and further

RESOLVED, that the Bank hereby reserves an aggregate of 333.3083 shares out of its authorized and unissued Series B Preferred Stock for issuance upon exercise of the Warrants; and further

RESOLVED, that upon issuance of the shares of Series B Preferred Stock pursuant to the exercise of the Warrant against receipt of the consideration therefor as provided therein, such shares shall be validly issued, fully paid and nonassessable shares of Series B Preferred Stock of the Bank; and further

### ***Blue Sky Compliance***

RESOLVED, that it is desirable and in the best interest of the Bank that its securities be qualified or registered for sale in various states; that the Authorized Officers are, and each of them hereby is, authorized to determine the states in which appropriate action shall be taken to qualify or register for sale all or such part of the securities of the Bank as the Authorized Officer may deem advisable; that the Authorized Officers are, and each of them hereby is, authorized to perform on behalf of the Bank any and all such acts as any Authorized Officer may deem necessary or advisable in order to comply with the applicable laws of such states, and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and the execution by any Authorized Officer of any such papers or documents or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor from the Bank and the appropriate ratification by the Bank of the papers and documents so executed and the action so taken; and further

### ***Regulatory Notice and Approvals***

RESOLVED, that each of the Authorized Officers be and hereby is authorized and empowered, in the name of and on behalf of the Bank, to prepare all documentation and to effect all filings and obtain appropriate permits, consents, approvals and authorizations of all third parties, including the Federal Deposit Insurance Corporation, the Virginia Bureau of Financial Institutions and any other applicable federal or state regulatory authority and to otherwise cause such filings and any amendments thereto to become effective or otherwise approved; and further

### ***General***

RESOLVED, that each of the Authorized Officers be and hereby is authorized and empowered, in the name of and on behalf of the Bank, to do or cause to be done all such further acts and things and to take or cause to be taken any and all such further actions and to make, execute and deliver or cause to be made, executed and delivered any and all such documents, agreements, instruments, certificates, press releases, filings with governmental agencies and undertakings and to incur all such fees and expenses as such Authorized Officer may deem necessary, appropriate, convenient or desirable to carry into effect the purposes and intent of the foregoing resolutions and the transactions contemplated thereby, and to perform or cause to be performed any agreement related thereto and any other agreement referred to therein or contemplated or authorized hereby, the taking of any such actions and the execution of any such agreements or other documents conclusively to evidence the due authorization thereof by the Bank; and further

RESOLVED, that any and all lawful actions previously taken by any director, officer, representative or agent of the Bank, by or on behalf of the Bank or any of its affiliates relating to or in connection with the transactions contemplated by the CPP Documents or otherwise referred to in the foregoing resolutions be, and each of the same hereby is, adopted, approved, ratified, and confirmed in all respects as the act and deed of the Bank; and further

RESOLVED, that each of the Authorized Officers be and hereby is authorized and empowered to certify as to all matters pertaining to the acts, transactions or agreements contemplated in the CPP Documents or otherwise referred to in the foregoing resolutions.

**EXHIBIT A**  
**FORM OF RESOLUTIONS ESTABLISHING THE MATERIAL TERMS OF**  
**THE SERIES A AND SERIES B PREFERRED STOCK**



**EXHIBIT B**  
**FORM OF SERIES A PREFERRED STOCK CERTIFICATE**

**EXHIBIT C**

**FORM OF SERIES B PREFERRED STOCK CERTIFICATE**

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

January 21, 2009

**CONTACT:** Shaza L. Andersen

202-587-7010

**WashingtonFirst Bank Receives Preliminary Approval for \$6.6 Million under the  
Treasury Capital Purchase Program**

Reston, VA – WashingtonFirst Bank announced today that it has received preliminary approval for a \$6.6 million capital investment by the US Treasury as a participant in the Capital Purchase Program.

WashingtonFirst, with over \$300 million in assets and 8 branches in Virginia, District of Columbia and Maryland., is a well capitalized community bank providing full financial services to businesses and consumers in the metro Washington market. Ms. Andersen, CEO, stated that “participation in this program will enhance the ability of WashingtonFirst to meet the credit needs of its community and to advance its strategic plan to extend its presence in the metro region and thereby offer competitive financial services to new communities in this region.”

For information on our services please visit our web site at [www.washingtonfirstbank.com](http://www.washingtonfirstbank.com).

Washington<sup>★</sup>FIRSTBANK  
Executive Loan Committee  
February 12, 2009

A meeting of the Executive Loan Committee (“ELC”) was held on Thursday, February 12, 2009 at the office of METCOR in Washington, DC. Members participating were Joseph S. Bracewell, Shaza L. Andersen, George W. Connors, Richard D. Horn, John J. Mahoney, Mark C. Michael, James P. Muldoon, William G. Reilly, Gail R. Steckler, James R. Hobbs and Bruce J. Wilmarth. Management members present were Matthew R. Johnson, James J. Curry, Jay Brigania, John R. Kell, Elizabeth L. Davila, Mackenzie L. Wheatley and James C. Broyles.

The meeting was called to order at 8:30 a.m. A quorum was present.

The minutes of the meeting of February 5, 2009 were presented for review and approval. Upon motion made, seconded and carried unanimously, the Committee approved the minutes.

The following loans were presented.

(b) (4)

(b) (4)

- V. Ms. Andersen presented a status report on the Bank's participation in the TARP Capital Purchase Program. On January 30, 2009 the Bank received \$6.6 million as a participant in this program. These funds are being used as loan funding in the communities the Bank services. Management is tracking the loans made and will report to the Treasury Department on the Bank's effort to best leverage this money and provide lending resource for the business community.

There being no further business, the meeting adjourned at 9:30 a.m.

Respectfully submitted,

Deborah A. Fairbanks