

April 30, 2002

**CERTIFIED MAIL NO. 7000 1670 0007 8338 6826**  
**RETURN RECEIPT REQUESTED**

Top Hat Plan Exemption  
Pension and Welfare Benefits Administration  
Room N-5644  
U.S. Department of Labor  
200 Constitution Avenue NW  
Washington, DC 20210

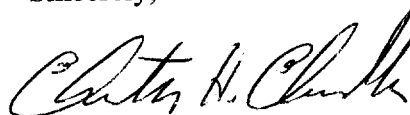
Re: Salary Continuation Agreements

Ladies and Gentlemen:

On behalf of our client, AF Bankshares, Inc., we are providing the information in the enclosed statement pursuant to section 2520.104-23(b) of the Department of Labor Regulations, in order to comply with the reporting and disclosure requirements of Part 1 of Title I of the Employee Retirement Income Security Act of 1974, as amended, for unfunded or insured pension plans maintained by an employer for a select group of management or highly compensated employees.

Please call the undersigned at (202) 347-8400 with any questions on this letter or the enclosure.

Sincerely,



Christian H. Chandler

Enclosure

**STATEMENT FILED ACCORDING TO SECTION 2520.104-23(b) OF THE  
DEPARTMENT OF LABOR REGULATIONS**

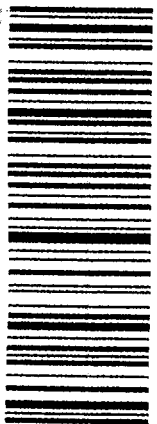
Name of Plans: Salary Continuation Agreements

Address of Employer: AF Bankshares, Inc.  
P.O. Box 26  
21 East Ashe Street  
West Jefferson, NC 28694

Employer Identification  
Number ("EIN"): 56-2098545

AF Bankshares, Inc. (the "Company") maintains two (2) plans primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. At the time of this filing, the number of employees covered by each plan is one (1) in each of the two (2) Salary Continuation Agreements. The Company maintains the Salary Continuation Agreements primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

9289 8EE8 2000 029T 0002



**CERTIFIED MAIL**

PLACE STICKER AT TOP OF ENVELOPE  
FOR THE RIGHT OF RETURN ADDRESS.  
FOLD AT DOTTED LINE



**Thacher  
Proffitt**

Thacher Proffitt & Wood  
1700 Pennsylvania Avenue, NW  
Suite 800  
Washington, DC 20006

**TOP HAT PLAN EXEMPTION  
PENSION AND WELFARE  
BENEFITS ADMINISTRATION  
ROOM N-5644  
U.S. DEPARTMENT OF LABOR  
200 CONSTITUTION AVENUE NW  
WASHINGTON, DC 20210**

**RETURN RECEIPT**