

2520032904857

FARMERS & MERCHANTS BANK

EIN# 54-0208040

POST OFFICE BOX 1111
TIMBERVILLE, VA 22853

1. Farmers & Merchants Bank
Post Office Box 1111
Timberville, VA 22853

Ein # 54-0208040

2. The above mentioned taxpayer hereby declares that it maintains a Deferred Income Plan for Executives for the purpose of providing deferred compensation for a select group of highly compensated employees. This plan was adopted by the Board of Directors on November 12, 1998.
3. The total number of such plans including the one described above -one.
Total number of employees covered by such plan -five.



Farmers & Merchants Bank

• Since 1908 •

Timberville Office
205 South Main Street
P.O. Box 1111
Timberville, VA 22853
Tel • 540-896-8941
Fax • 540-896-2840

February 19, 1999

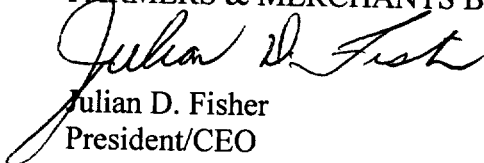
Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-5644
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Sir or Madam

Please accept the attached statement pursuant to DOL reg. 2520.104-23 regarding the Deferred Income Plan for Executives for Farmers & Merchants Bank, EIN #54-0208040. If you have any questions or need additional information, please feel free to call me.

Very truly yours,

FARMERS & MERCHANTS BANK


Julian D. Fisher
President/CEO

JDF/ecn
enclosure