COLONIAL VIRGINIA BANK
6720 Sutton Road
Gloucester, VA 23061

Dear Shareholder:

You are cordially invited to attend the 2010 Annual Meeting of Shareholders of Colonial Virginia Bank (the "Company") to be held on May 11, 2010 at 6:30 p.m. at **The Settlement at Powhatan Creek, 4101 Monticello Avenue, Williamsburg, Virginia**.

At the Annual Meeting, you will be asked to elect 10 directors for terms of one year each. You also will be asked to ratify the Board of Directors' selection of Yount, Hyde & Barbour, P.C. as the Company's independent public accountants for 2010. Enclosed with this letter are a formal notice of the Annual Meeting, a Proxy Statement and a form of proxy.

Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented and voted. Please complete, sign, date and return the enclosed proxy promptly using the enclosed postage-paid envelope. The enclosed proxy, when returned properly executed, will be voted in the manner directed in the proxy.

We hope you will participate in the Annual Meeting, either in person or by proxy.

Sincerely,

William J. Farinholt
President and
Chief Executive Officer

Gloucester, Virginia
April 16, 2010

COLONIAL VIRGINIA BANK

6720 Sutton Road
Gloucester, VA 23061

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders (the "Annual Meeting") of Colonial Virginia Bank (the "Company") will be held on May 11, 2010 at 6:30 p.m. at **The Settlement at Powhatan Creek, 4101 Monticello Avenue, Williamsburg, Virginia**:

1. To elect 10 directors to serve for terms of one year each expiring at the 2011 annual meeting of shareholders;

2. To ratify the Board of Directors' selection of Yount, Hyde & Barbour, P.C. as independent public accountants to audit the books and accounts of the Company for fiscal year 2010; and

3. To act upon such other matters as may properly come before the Annual Meeting.

Only holders of shares of Common Stock of record at the close of business on April 6, 2010, the record date fixed by the Board of Directors of the Company, are entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors

Kenneth E. Smith
Executive Vice President,
Chief Financial Officer & Secretary

April 16, 2010

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 11, 2010.

This communication represents a complete proxy material package; however, proxy materials are also available for viewing on the Internet. We encourage you to review all proxy materials either in hardcopy or via the internet prior to voting.

The following materials are available for viewing:
Proxy Statement and Annual Report to Shareholders

To view this material, visit: www.colonialvabank.com/investor.asp

COLONIAL VIRGINIA BANK
6720 Sutton Road
Gloucester, VA 23061

PROXY STATEMENT

This Proxy Statement is furnished to holders of the common stock, par value $5.00 per share ("Common Stock"), of Colonial Virginia Bank (the "Company"), in connection with the solicitation of proxies by the Board of Directors of the Company to be used at the 2010 Annual Meeting of Shareholders (the "Annual Meeting") to be held on May 11, 2010 at 6:30 p.m. at **The Settlement at Powhatan Creek, 4101 Monticello Avenue, Williamsburg, Virginia**, and any duly reconvened meeting after adjournment thereof.

Any shareholder who executes a proxy has the power to revoke it at any time by written notice to the Secretary of the Company, by executing a proxy dated as of a later date, or by voting in person at the Annual Meeting. It is expected that this Proxy Statement and the enclosed proxy card will be mailed on or about April 16, 2010 to all shareholders entitled to vote at the Annual Meeting.

The cost of soliciting proxies for the Annual Meeting will be borne by the Company. The Company does not intend to solicit proxies otherwise than by use of the mails, but certain directors, officers and regular employees of the Company or its subsidiaries, without additional compensation, may use their personal efforts, by telephone or otherwise, to obtain proxies. The Company may also reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in forwarding proxy materials to the beneficial owners of shares of Common Stock.

On April 6, 2010, the record date for determining those shareholders entitled to notice of and to vote at the Annual Meeting, there were 610,175 shares of Common Stock issued and outstanding. Each outstanding share of Common Stock is entitled to one vote on all matters to be acted upon at the Annual Meeting. A majority of the shares of Common Stock entitled to vote, represented in person or by proxy, constitutes a quorum for the transaction of business at the Annual Meeting.

A shareholder may abstain or (only with respect to the election of directors) withhold his or her vote (collectively, "Abstentions") with respect to each item submitted for shareholder approval. Abstentions will be counted for purposes of determining the existence of a quorum. Abstentions will not be counted as voting in favor of or against the relevant item.

A broker who holds shares in "street name" has the authority to vote on certain items when it has not received instructions from the beneficial owner. Except for certain items for which brokers are prohibited from exercising their discretion, a broker is entitled to vote on matters presented to shareholders without instructions from the beneficial owner. "Broker shares" that are voted on at least one matter will be counted for purposes of determining the existence of a quorum for the transaction of business at the Annual Meeting. Where brokers do not have or do not exercise such discretion, the inability or failure to vote is referred to as a "broker nonvote." Under the circumstances where the broker is not permitted to, or does not, exercise its discretion, assuming proper disclosure to the Company of such inability to vote, broker nonvotes will not be counted as voting in favor of or against the particular matter. A broker is prohibited from voting on the election of directors without instruction from the beneficial owner; therefore, there may be broker non-votes on Proposal One. A broker may vote on the ratification of the independent public accountants; therefore, no broker non-votes are expected to exist in connection with Proposal Two.

The Board of Directors is not aware of any matters other than those described in this Proxy Statement that may be presented for action at the Annual Meeting. However, if other matters do properly come before the Annual Meeting, the persons named in the enclosed proxy card possess discretionary authority to vote in accordance with their best judgment with respect to such other matters.

PROPOSAL ONE

ELECTION OF DIRECTORS

Ten directors will be elected at the Annual Meeting. The individuals listed below are nominated by the Board of Directors for election at the Annual Meeting. Since the previous annual meeting of shareholders, May 12, 2009, our founding director Elsa C. Verbyla tendered her resignation July 8, 2009 as a result of increasing business and personal responsibilities. The size of the Board was reduced from eleven members to ten subsequent to this resignation.

The election of each nominee for director requires the affirmative vote of the holders of a plurality of the shares of Common Stock cast in the election of directors. If the proxy is executed in such manner as not to withhold authority for the election of any or all of the nominees for directors, then the persons named in the proxy will vote the shares represented by the proxy for the election of the ten nominees named below. If the proxy indicates that the shareholder wishes to withhold a vote from one or more nominees for director, such instructions will be followed by the persons named in the proxy.

Each nominee has consented to being named in this Proxy Statement and has agreed to serve if elected. The Board of Directors has no reason to believe that any of the nominees will be unable or unwilling to serve. If, at the time of the Annual Meeting, any nominee is unable or unwilling to serve as a director, votes will be cast, pursuant to the enclosed proxy, for such substitute nominee as may be nominated by the Board of Directors. There are no current arrangements between any nominee and any other person pursuant to which a nominee was selected. No family relationships exist among the directors, except that William D. Fary, Jr. is the uncle of Joseph F. Fary. No family relationships exist between any of the directors and the executive officers of the Company.

The following biographical information discloses each nominee's age and business experience in the past five years and the year that each individual was first elected to the Board of Directors of the Company. In addition, the following information includes the particular experience, qualifications, attributes or skills that led the Board to conclude that the person should serve as a director for the Company. Unless otherwise specified, each nominee has held his or her current position for at least five years. All nominees, with the exception of Mr. Hurley, are founding directors of the Company. In addition, many nominees were founding directors of another de novo bank, which enjoyed satisfactory regulatory approval. Each nominee has specific business expertise in the operation of small businesses, including some with complex organizational structure, and the preparation and analysis of financial information necessary for the operation of those small businesses.

Nominees for Election for Terms Expiring in 2011

Hal D. Bourque, 59, has been a director since 2002. In December 2008, Mr. Bourque retired from Virginia Health Services, Inc. ("VHS"), a health care management company located in Newport News, Virginia, where he served for 34 years and held the positions of Executive Vice President and Director. In these roles, he drew considerable experience in government regulations and guided VHS through various economic and business cycles. On April 1, 2009, Mr. Bourque was hired as the Company's Compliance Officer.

Charles F. Dawson, 68, has been a director since 2002. In 2006, Mr. Dawson retired from Bay Design Group, P.C., an engineering and land surveying company with locations in Gloucester, Richmond, and White Stone, Virginia, where he served as Partner and Director since 1974. Currently, Mr. Dawson provides consulting services to Bay Design Group, P. C. Mr. Dawson was also a founding director of Peninsula Trust Bank ("PTB"), serving from 1988 to 2001, including serving on the Audit and Executive Committees.

William J. Farinholt, 63, has served as President and Chief Executive Officer and has been a director since 2002. Mr. Farinholt has more than 40 years of banking experience. He was a founder, organizing Director, President, and Chief Executive Officer of PTB, a community bank based in Gloucester, from 1988 to 2001. He was President and Chief Executive Officer of Atlantic Financial Corp. ("AFC"), formerly Mid-Atlantic Community BankGroup ("MACB"), a bank holding company owning two community banks, PTB and United Community Bank, from 1998 to 2001. He served as Area President of F&M Bank-Atlantic from 2001 to 2002 and most recently as City Executive for BB&T located in Gloucester, until the formation of the Company.

Joseph F. Fary, 56, has been a director since 2002. For the past 13 years, Mr. Fary has been the Manager of W. T. Fary Brothers Company, LLC, a retail lumber sales company located in Gloucester, Virginia. He has worked for W. T. Fary Brothers for a total of 33 years.

William D. Fary, 80, has been a director since 2002. Mr. Fary is the owner and President of Bill Fary Auto, Inc. a retail automobile sales establishment located in Gloucester, Virginia. He has operated the dealership for the past 43 years. He is also President of Mobjack Development, Ltd. and Managing Member of Pearfield Land & Timber, LLC. Mr. Fary was also a founding director of PTB, serving from 1988 to 2001, including serving as the Chairman of the Loan Committee, affording him extensive insight and knowledge of various economic cycles.

Walter B. Hurley, Jr., 51, has been a director since 2006. Mr. Hurley is the President of H&H Development Corp. and Hurlock Management, commercial property development companies, and President of Hurley, LLC, owner of Bethpage Camp-Resort in Urbanna and Grey's Point Camp in Topping, Virginia. He has held these management positions for approximately 10 years.

Joseph A. Lombard, Jr., 63, has served as the Chairman of the Board of Directors since 2002. Dr. Lombard has been a self-employed Dentist since 1977, currently with Drs. Lombard, Luckam & Vogt, a dental practice located in Gloucester, Virginia. Dr. Lombard was also a founding director of PTB, serving as Chairman of the Board from 1988 to 2001.

James L. Miller, Jr., 56, has been a director since 2002. Mr. Miller is the President of Jim Miller Construction, Inc., a general contracting firm founded by Mr. Miller 35 years ago and located in Gloucester, Virginia. Mr. Miller is also President of Miller's Septic Service, Inc.

Kenneth E. Smith, 58, has served as the Executive Vice President and Chief Financial Officer and has been a director since 2002. Mr. Smith has more than 30 years of banking experience. He was a founder, organizing Director, Executive Vice President and Chief Financial Officer of PTB from 1988 to 2001. He was Executive Vice President and Chief Financial Officer of AFC (formerly MACB) from 1998 to 2001. He served as Executive Vice President of F&M Bank-Atlantic and then returned to the Federal Reserve Bank of Richmond, where he served as a commercial bank examiner from 1976 to 1987. Upon returning to the Federal Reserve Bank in 2001, he served as Special Operations Coordinator in the Banking Supervision and Regulation Department from 2001 through 2002.

David G. Walker, 65, has been a director since 2002. Dr. Walker is a self-employed dentist located in Williamsburg, Virginia, where he has been in private practice since 1972. Dr. Walker was also a founding director of PTB serving from 1988 to 1992, including serving on the Executive Committee.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE NOMINEES SET FORTH ABOVE.

Executive Officers

William J. Farinholt serves as President and Chief Executive Officer of the Company, and Kenneth E. Smith serves as Executive Vice President and Chief Financial Officer of the Company.

CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

General

The business and affairs of the Company are managed under the direction of the Board of Directors in accordance with the Virginia Stock Corporation Act and the Company's Articles of Incorporation and Bylaws. Members of the Board are kept informed of the Company's business through discussions with the Chairman, President and Chief Executive Officer and other officers, by reviewing materials provided to them and by participating in meetings of the Board of Directors and its committees.

Independence of the Directors

The Board of Directors has determined that the following 6 individuals of its total 10 members are independent as defined by the listing standards of the Nasdaq Stock Market ("Nasdaq"): Messrs. Dawson, Joseph Fary, William Fary, Hurley, Lombard and Walker. In reaching this conclusion, the Board of Directors considered that the Company conducts business with companies of which certain members of the Board of Directors or members of their immediate families are or were directors or officers.

The Board considered the following relationships between us and certain of our directors to determine whether such director was independent under Nasdaq's listing standards:

- Since his retirement as a principal with the firm, Mr. Dawson is a consultant with Bay Design Group ("BDG"), an engineering and land surveying company, which occasionally performs site plan work for the Company. In 2009, BDG performed site plan work at the Company's branch office in New Kent County, Virginia.

- Mr. Miller is the owner of Jim Miller Construction, Inc., a contracting firm that occasionally performs building maintenance and repair work for the Company. In 2009, Jim Miller Construction, Inc. built the Company's branch office in New Kent County, Virginia. Due to the size of this project, Mr. Miller is not considered independent under Nasdaq rules for the year 2009.

Code of Ethics

The Executive Committee of the Board of Directors has approved a Code of Business Conduct and Ethics for directors, officers and all employees of the Company and its subsidiaries, and an addendum to the Code of Ethics applicable to all of the Company's Executive Officers including the Chief Executive

Officer and Chief Financial Officer. The Code addresses such topics as protection and proper use of Company assets, compliance with applicable laws and regulations, accuracy and preservation of records, accounting and financial reporting and conflicts of interest. The Company will provide to any person without charge, upon request, a copy of the Code of Ethics. Requests for a copy of the Company's Code of Ethics may be made by e-mail to contactus@colonialvabank.com or by writing to Colonial Virginia Bank, attention Corporate Secretary, P. O. Box 2120, Gloucester, Virginia 23061.

Board and Committee Meeting Attendance

There were 13 meetings of the Board of Directors in 2009. Each incumbent director attended greater than 75% of the aggregate number of meetings of the Board of Directors and meetings of committees of which the director was a member in 2009.

The Board elected to separate the "Chairman" and the "Chief Executive Officer" (CEO) functions according to Board responsibility and day-to-day procedural functionality. The Chairman function was determined to be exclusively a Board leadership function. As such, the Chairman is not an active participant in daily activities of the Company.

The CEO function was determined to be an operational management function. The CEO leads members of management, officers and staff on a daily basis, maintaining an intimate involvement in the day-to-day operations of the Company.

Executive Sessions

All Audit Committee meetings include an executive session where all members of Management and any other employees are excused and thereby excluded from any discussion. Non-employee directors also meet periodically outside of regularly scheduled Board meetings. No formal executive sessions have been scheduled for 2010 other than those scheduled to be a part of regular Audit Committee meetings. Executive Committee meetings (held on an ad hoc basis) likewise include executive sessions where any members of management are excused and excluded from discussion and voting.

Overall risk management is delineated by the various operational functions of the Company. The Board relies on the Compliance Officer for specific risk analysis of consumer regulations and the Company's Bank Secrecy Act, Anti-Money Laundering and USA Patriot Act performance. The Chief Financial Officer ("CFO") is charged with risk assessment analysis of such functions as Information Technology ("IT"), accounting and financial reporting and corresponding internal controls. Such issues as interest rate risk and general balance sheet management are first the responsibility of the CFO, with subsequent oversight by the Asset Liability Committee ("ALCO"), which includes two outside, independent Board members.

Committees of the Board

The Board of Directors of the Company has a standing Audit Committee, a standing Executive Committee, which reviews compensation issues, and a standing Nominating and Corporate Governance Committee.

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibility to the shareholders relating to the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements and the qualifications, independence and the performance of the internal audit function. The Company outsources a portion of its internal audit function to an independent public accounting firm. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company. The Board of Directors has adopted a written charter for the Audit Committee, which was last presented to shareholders as Appendix A in the proxy statement for the 2008 annual meeting of shareholders.

The members of the Audit Committee are Mr. Dawson, Mr. Joseph Fary and Mr. Hurley, all of whom the Board in its business judgment has determined are independent as defined by Nasdaq's listing standards and SEC regulations. The Company has not currently designated an "audit committee financial expert" as defined by regulations of the Securities and Exchange Commission. However, the Board of Directors believes that the current members of the Audit Committee have the ability to understand financial statements and generally accepted accounting principles, the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves, and understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Chairman of the Committee, Mr. Dawson, has served as an organizing director of two de novo banks and collectively has served as a bank director for more than twenty years. Prior to his retirement in 2007, he served as a principal in a medium sized engineering firm. In these roles, he has been involved in preparation and review of financial statements (balance sheet and income statements), creating an experience level appropriate for his role as chairman of the Audit Committee. The Company's current Board of Directors has no CPA or other member of the financial accounting community.

The Audit Committee met five times in 2009. For additional information regarding the Audit Committee, see "Audit Information – Audit Committee Report" on page 15 of this Proxy Statement.

Executive Committee

The Board has assigned compensation matters to the Executive Committee in lieu of a Compensation Committee. The Executive Committee reviews the CEO's performance and compensation and reviews and sets guidelines for compensation of the other executive officer. The Executive Committee, in carrying out this charge, reviews salary surveys obtained from the American Bankers Association ("ABA") and the Virginia Bankers Association ("VBA"), including such elements as job descriptions, base salary, incentive bonuses, stock options and other perquisites such as post retirement benefits, insurance and corporate vehicles. In evaluating Company executives, specific job responsibilities are considered, particularly specific to the Company's small size and the limited staff which requires the executives to perform additional duties not typical of their respective titles. Additional considerations include the Company's overall performance and operating results. All decisions by the Executive Committee relating to the compensation of the Company's executive officers are reported to the full Board of Directors. The Company does not have a separate charter as related to the compensation process except as part of the Executive Committee's formal charter, which is included as Appendix A to this Proxy Statement.

The members of the Executive Committee are Messrs. Dawson, Farinholt, Lombard and Walker. The Board of Directors in its business judgment has determined that all members are independent as defined by Nasdaq's listing standards, with the exception of Mr. Farinholt, the Company's President and CEO. Mr. Farinholt does not participate in considerations of the compensation. The Committee met one time in 2009.

Nominating and Corporate Governance Committee

The Board formed a Nominating & Corporate Governance Committee in March 2007. Currently, the members of this committee are the same as the members of the Executive Committee, with the exception of Mr. Farinholt. All members are independent as defined by Nasdaq's listing standards. The charter for this committee is included as Appendix B to this Proxy Statement.

In identifying potential nominees, the Nominating and Corporate Governance Committee takes into account such factors as it deems appropriate, including the current composition of the Board, the range of talents, experiences and skills that would best complement those that are already represented on the Board, the balance of management and independent directors and the need for specialized expertise. The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and by management, and the Nominating and Corporate Governance Committee will also consider candidates suggested informally by a shareholder of the Company.

The Nominating and Corporate Governance Committee considers, at a minimum, the following factors in recommending potential new directors, or the continued service of existing directors:

- The ability of the prospective nominee to represent the interests of the shareholders of the Company;
- The prospective nominee's standards of integrity, commitment and independence of thought and judgment;
- The prospective nominee's ability to dedicate sufficient time, energy and attention to the diligent performance of his or her duties, including the prospective nominee's service on other public company boards;
- The extent to which the prospective nominee contributes to the range of talent, skill and expertise appropriate for the Board of Directors; and
- The prospective nominee's involvement within the communities the Company serves.

Shareholders entitled to vote for the election of directors may submit candidates for formal consideration by the Company in connection with an annual meeting of shareholders, if the Company receives timely written notice, in proper form, for each such recommended director nominee. If the notice is not timely and in proper form, the nominee will not be considered by the Company. To be timely for the 2011 annual meeting, the notice must be received within the time frame set forth in "Proposals for 2011 Annual Meeting of Shareholders" on page 17 of this Proxy Statement. To be in proper form, the notice must include each nominee's written consent to be named as a nominee and to serve, if elected, and information about the shareholder making the nomination and the person nominated for election. These requirements are more fully described in Section 2.5 of the Company's Bylaws, a copy of which will be provided, without charge, to any shareholder upon written request to the Secretary of the Company, whose address is Colonial Virginia Bank, P. O. Box 2120, Gloucester, Virginia.

Under the current process for selecting new Board candidates, the Board of Directors identifies the need to add a new member with specific qualifications or to fill a vacancy on the Board. The Nominating and Corporate Governance Committee will initiate a search, working with staff support and seeking input from its members and senior management, hiring a search firm, if necessary, and considering any candidates suggested informally or recommended by shareholders. An initial slate of candidates that will satisfy criteria and otherwise qualify for membership on the Board may be presented to the Board. A determination is made as to whether the Board members have relationships with preferred candidates and can initiate contacts. The Chief Executive Officer and the Executive Committee interview prospective candidates. The Board meets to conduct additional interviews of prospective candidates, if necessary, and to consider final candidates for approval.

Annual Meeting Attendance

The Company encourages members of the Board of Directors to attend the annual meeting of shareholders. All of the directors attended the 2009 annual meeting.

Communications with Directors

Any director may be contacted by writing to him or her c/o Colonial Virginia Bank, P. O. Box 2120, Gloucester, Virginia. Communications to the non-management directors as a group may be sent to the same address, c/o the Secretary of the Company. The Company promptly forwards, without screening, all such correspondence to the indicated directors.

Director Compensation

Directors' fees totaled $69,800 and $74,400 as of December 31, 2009 and 2008, respectively. Directors were paid $400 for each Board meeting attended and $200 for each Committee meeting attended in 2009.

The following table shows the compensation earned by each of the directors during 2009, with the exception of Messrs. Farinholt and Smith who are included in the Summary Compensation table below:

Name	**Fees Earned or Paid in Cash ($)**	**All Other Compensation ($)**	**Total ($)**
Hal D. Bourque [(1)]	7,400	43,385	50,785
Charles F. Dawson	6,200	--	6,200
Joseph F. Fary	8,000	--	8,000
William D. Fary	7,600	--	7,600
Walter B. Hurley, Jr.	6,000	--	6,000
Joseph A. Lombard, Jr.	5,400	--	5,400
James L. Miller, Jr.	7,600	--	7,600
Elsa C. Verbyla	3,400	--	3,400
David G. Walker	5,800	--	5,800

[(1)] Amount disclosed includes Mr. Bourque's compensation as the Company's Compliance Officer.

SECURITY OWNERSHIP

Security Ownership of Management

The following table sets forth, as of April 6, 2010, certain information with respect to beneficial ownership of shares of Common Stock by each of the members of the Board of Directors (all of whom are also nominees), by each of the executive officers named in the "Summary Compensation Table" below (the "named executive officers") and by all directors and executive officers as a group. Beneficial ownership includes shares, if any, held in the name of the spouse, minor children or other relatives of a director living in such person's home, as well as shares, if any, held in the name of another person under an arrangement whereby the director or executive officer can vest title in himself at once or at some future time.

The address of each beneficial owner is c/o Colonial Virginia Bank, P. O. Box 2120, Gloucester, Virginia 23061.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (%)(11)
Hal D. Bourque [(1)]	5,559	*
Charles F. Dawson [(2)]	8,318	1.36
William J. Farinholt [(3)]	28,193	4.58
Joseph F. Fary [(4)]	3,180	*
William D. Fary [(5)]	7,200	1.18
Walter B. Hurley, Jr. [(6)]	44,088	7.23
Joseph A. Lombard, Jr. [(7)]	8,223	1.34
James L. Miller, Jr. [(8)]	6,294	1.03
Kenneth E. Smith [(9)]	14,750	2.40
David G. Walker [(10)]	8,000	1.31
Directors and executive officers as a group (10 persons)	133,805	21.84%

* Percentage of ownership is less than one percent of the outstanding shares of Common Stock.

(1) Amount disclosed includes 3,160 shares of Common Stock owned in Mr. Bourque's IRA account, 175 shares held in Mr. Bourque's spouse's IRA account and 2,224 shares Mr. Bourque has the right to acquire upon exercise of stock options exercisable within 60 days.

(2) Amount disclosed includes 5,613 shares of Common Stock owned in Mr. Dawson's IRA accounts, 205 shares held in Education IRA accounts for his grandchildren and 2,500 shares Mr. Dawson has the right to acquire upon exercise of stock options exercisable within 60 days.

(3) Amount disclosed includes 19,000 shares of Common Stock owned in Mr. Farinholt's IRA account, 213 shares held jointly with his spouse, 1,000 shares held jointly with his minor child, 2,000 shares held in Mr. Farinholt's spouse's IRA account and 5,500 shares Mr. Farinholt has the right to acquire upon exercise of stock options exercisable within 60 days.

(4) Amount disclosed includes 950 shares of Common Stock held jointly with Mr. Fary's spouse and 1,580 shares Mr. Fary has the right to acquire upon exercise of stock options exercisable within 60 days.

(5) Amount disclosed includes 4,200 shares of Common Stock held in the name of William D. Fary, Revocable Living Trust and 500 shares held in the name of Mobjack Development, Ltd. Amount disclosed includes 2,500 shares of Common Stock Mr. Fary has the right to acquire upon exercise of stock options exercisable within 60 days.

(6) Amount disclosed includes 1,500 shares held as custodian for Mr. Hurley's minor children.

(7) Amount disclosed includes 3,400 shares of Common Stock owned in Dr. Lombard's IRA account, 2,323 shares held in Dr. Lombard's spouse's IRA account and 2,500 shares Dr. Lombard has the right to acquire upon exercise of stock options exercisable within 60 days.

(8) Amount disclosed includes 294 shares of Common Stock owned in Mr. Miller's IRA account, 294 shares held in Mr. Miller's spouse's IRA account, 2,206 shares held jointly with his spouse, 500 shares held jointly with his mother and his sister and 2,500 shares Mr. Miller has the right to acquire upon exercise of stock options exercisable within 60 days.

(9) Amount disclosed includes 8,750 shares of Common Stock owned in Mr. Smith's IRA accounts, 500 shares owned by Mr. Smith's spouse and 5,500 shares Mr. Smith has the right to acquire upon exercise of stock options exercisable within 60 days.

(10) Amount disclosed includes 5,000 shares of Common Stock held in Dr. Walker's spouse's trust account and 2,500 shares Dr. Walker has the right to acquire upon exercise of stock options exercisable within 60 days.

(11) Based on 610,175 shares of Common Stock issued and outstanding as of April 6, 2010.

Security Ownership of Certain Beneficial Owners

As of April 6, 2010, Walter B. Hurley, Jr., a director of the Company, owns 7.23% of the outstanding shares of Common Stock, as described above. There were no other persons known to the Company that beneficially own five percent or more of the outstanding shares of Common Stock.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and any persons who own more than 10% of the outstanding shares of Common Stock, to file with the Federal Reserve reports of ownership and changes in ownership of Common Stock. Directors and executive officers are required by regulations to furnish the Company with copies of all Section 16(a) reports that they file. Based solely on review of the copies of such reports furnished to the Company or written representation that no other reports were required, the Company believes that, during the 2009 year, all filing requirements applicable to its officers and directors were complied with.

EXECUTIVE COMPENSATION

General

The following table shows, for the fiscal years ended December 31, 2009 and 2008, the cash compensation paid by the Company, as well as certain other compensation paid or accrued in those years, to each of the named executive officers in all capacities in which each served:

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	All Other Compensation ($)(1)	Total ($)
William J. Farinholt President and Chief Executive Officer	2009 2008	165,375 157,500	7,600 7,800	172,975 165,300
Kenneth E. Smith Executive Vice President and Chief Financial Officer	2009 2008	139,125 132,500	4,800 5,800	143,925 138,300

(1) Includes fees earned or paid in cash for serving as a director.

Employment Agreements

Effective as of August 5, 2003, the Company and William J. Farinholt entered into an employment contract that provides for Mr. Farinholt's service as President and Chief Executive Officer of the Company. Mr. Farinholt's employment contract is for five years at an initial base annual salary of $125,000, and he is eligible for base salary increases and bonuses as determined by the Board of Directors. Mr. Farinholt's employment may be terminated by the Company with or without cause. If he resigns for "good reason" or is terminated without "cause" (as those terms are defined in the employment agreement), however, he is entitled to salary and certain benefits for the greater of the remainder of his contract or one year. Any such resignation for "good reason" may occur before or after a "change of control" (as that term is defined in the employment agreement), and a resignation after a change of control will also result in all stock options becoming immediately exercisable. Mr. Farinholt may also resign without "good reason" at any time within 180 days after a change of control. In such an event, the Company will pay to him a cash amount of $250,000, and all stock options held by him will become immediately exercisable. Mr. Farinholt's contract also contains a covenant not to compete.

Effective as of August 5, 2003, the Company and Kenneth E. Smith entered into an employment contract that provides for Mr. Smith's service as Executive Vice President and Chief Financial Officer of the Company. Mr. Smith's employment contract is for five years at an initial base annual salary of $100,000, and he is eligible for base salary increases and bonuses as determined by the Board of Directors. Mr. Smith's employment may be terminated by the Company with or without cause. If he resigns for "good reason" or is terminated without "cause" (as those terms are defined in the employment agreement), however, he is entitled to salary and certain benefits for the greater of the remainder of his contract or one year. Any such resignation for "good reason" may occur before or after a "change of control" (as that term is defined in the employment agreement), and a resignation after a change of control will also result in all stock options becoming immediately exercisable. Mr. Smith may also resign without "good reason" at any time within 180 days after a change of control. In such an event, the Company will pay to him a cash amount of $250,000, and all stock options held by him will become immediately exercisable. Mr. Smith's contract also contains a covenant not to compete.

Stock Options

The Board of Directors adopted unanimously, and the Company's shareholders approved, at the 2004 annual meeting of shareholders, the Colonial Virginia Bank 2004 Equity Compensation Plan (the "Equity Plan"). The Equity Plan authorizes the Compensation Committee of the Board of Directors to award incentive stock options, non-qualified stock options, stock appreciation rights, stock awards, performance share awards and stock units to directors, officers, key employees and consultants to the Company and its subsidiaries who are designated by the Compensation Committee. The Equity Plan authorizes the issuance of up to 75,000 shares of Common Stock.

There were no stock options granted in 2009. The named executive officers did not exercise any stock options in 2009. The following table sets forth the amount and value of stock options held by the named executive officers as of December 31, 2009:

Outstanding Equity Awards at Fiscal Year-End 2009

	Option Awards		
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Option Exercise Price ($)**	**Option Expiration Date**
William J. Farinholt	2,000	21.00	7/13/2014
	3,500	22.00	2/02/2015
Kenneth E. Smith	2,000	21.00	7/13/2014
	3,500	22.00	2/02/2015

Equity Compensation Plans

The following table sets forth information as of December 31, 2009, with respect to compensation plans under which shares of Common Stock are authorized for issuance.

Equity Compensation Plan Information

Plan Category	Number of Securities to Be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (1)
Equity Compensation Plans Approved by Shareholders: 2004 Equity Compensation Plan	34,604	$20.81	35,396
Equity Compensation Plans Not Approved by Shareholders(2)	--	--	--
Total	34,604	$20.81	35,396

(1) Amounts exclude any securities to be issued upon exercise of outstanding options, warrants and rights.

(2) The Company does not have any equity compensation plans that have not been approved by shareholders.

Deferred Compensation

In October, 2004, the Company implemented a Supplemental Executive Retirement Plan (the "SERP") in order to attract and retain employees of outstanding performance and to provide additional deferred compensation benefits for such employees. Under the SERP and the individual agreements with participants established thereunder, benefits are provided to a select group of management employees, including Messrs. Farinholt and Smith, the Company's named executive officers, who contribute materially to the continued growth, development and future business success of the Company. The individual agreements established thereunder are intended to be administered by the Executive Committee as welfare benefit plans established and maintained for the participants.

Under the SERP and the individual agreements, each of the named executive officers is entitled to receive retirement benefits in an amount that is based on a fixed percentage of his final three year average for total salary and bonus (if any) compensation, depending on the age of his retirement (and giving effect to certain present value calculations and adjustments). These benefits will become payable upon the officer's termination of employment through retirement and will be paid to the individual over a period of 15 years commencing with the first year following the termination of employment. Because the SERP also provides for death benefits, as described below, no retirement benefits are paid following the death of the officer.

The following table presents the percentage of the respective officer's final three year average for total salary and bonus (if any) compensation that will determine the amount of retirement benefits to which he will be entitled:

William J. Farinholt		Kenneth E. Smith	
Age at Retirement	% Benefit	Age at Retirement	% Benefit
59	14%	56	10%
60	21%	57	15%
61	27%	58	20%
62	34%	59	25%
63	41%	60	30%
64	48%	61	35%
65	55%	62	40%
		63	45%
		64	50%
		65	55%

In the event of the disability of the officer, his attainment of the age of 65, or a change in control of the Company (as defined in the SERP), the retirement benefits payable to the officer under the SERP will become immediately vested and paid to the participant.

The SERP and each officer's individual agreement also provide for the payment of death benefits to his survivors in the event that the officer should die while he is an employee of the Company and for a period after retirement. The initial amounts of such death benefits while they are employed are $586,407 for Mr. Farinholt and $726,500 for Mr. Smith. The amount for each officer remains level while he is employed with the Company. After retirement, such amount will decrease each year by the amount of retirement benefits that is paid to the officer in such year.

The Company has elected to purchase life insurance policies for each participant in order to fund the projected liability associated with the SERP. The insurance policies are owned by the Company, with the Company being the sole beneficiary of each policy. The Company makes contributions, as determined in its sole discretion, sufficient to fund the premiums due under the insurance policy.

Certain Relationships and Related Transactions

Some of the directors and officers of the Company are at present, as in the past, customers of the Company, and the Company has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal shareholders and their associates, on substantially the same terms, including interest rates and collateral on loans, as those prevailing at the same time for comparable transactions with others. These transactions do not involve more than the normal risk of collectibility or present other unfavorable features.

James L. Miller, Jr., a director of the Company, is the President of Jim Miller Construction, Inc., a construction company that was selected to construct the permanent building for the Company's branch office in New Kent, Virginia. The project was initiated under a "design build" contract. The Company paid $778,730 to Jim Miller Construction, Inc. to construct this office. The services that Jim Miller Construction, Inc. provided were the result of "arms length" negotiations similar to what may occur between unrelated parties, and the fees that the Company paid were equal to or less than current market rates. Discussion by the full board of directors was conducted at regular board meetings, in the absence of director Miller. Due to the size of the project, Mr. Miller is not considered independent under Nasdaq rules for the year 2009.

There were no transactions during 2009 between the Company's directors or officers and the Company's retirement or profit sharing plans, nor are there any proposed transactions. Additionally, there are no legal proceedings to which any director, officer or principal shareholder, or any affiliate thereof, is a party that would be material and adverse to the Company.

PROPOSAL TWO

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors has selected the firm of Yount, Hyde & Barbour, P.C. as independent public accountants to audit the consolidated financial statements of the Company for the fiscal year ending December 31, 2010. Yount, Hyde & Barbour, P.C. audited the financial statements of the Company for the fiscal year ended December 31, 2009. A majority of the votes cast by holders of the Common Stock is required for the ratification of the appointment of the independent public accountants.

Representatives of Yount, Hyde & Barbour, P.C. are expected to be present at the Annual Meeting, will have an opportunity to make a statement, if they desire to do so, and are expected to be available to respond to appropriate questions from shareholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF YOUNT, HYDE & BARBOUR, P.C. AS INDEPENDENT PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2010.

AUDIT INFORMATION

The Audit Committee operates under a written charter that the Board of Directors has adopted. The members of the Audit Committee are independent as that term is defined in the listing standards of the National Association of Securities Dealers.

Fees of Independent Public Accountants

Audit Fees

The aggregate fees billed by Yount, Hyde & Barbour, P.C. for professional services rendered for the audit of the Company's annual financial statements for the fiscal years ended December 31, 2009 and 2008, and for the review of the financial statements included in the Company's Quarterly Reports on Form 10-Q, and services that are normally provided in connection with statutory and regulatory filings and engagements, for those fiscal years were $46,200 for 2009 and $46,200 for 2008.

Audit Related Fees

The aggregate fees billed by Yount, Hyde & Barbour, P.C. for professional services for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under the heading "Audit Fees" above for the fiscal years ended December 31, 2009 and December 31, 2008 were $590 and $1,352, respectively.

Tax Fees

The aggregate fees billed by Yount, Hyde & Barbour, P.C. for professional services for tax compliance for the fiscal years ended December 31, 2009 and December 31, 2008 were $3,900 and $3,900, respectively. During 2009 and 2008, these services included preparation of federal and state income tax returns and consultation regarding tax compliance issues.

All Other Fees

There were no fees billed by Yount, Hyde & Barbour, P.C. for any other services rendered to the Company for the fiscal years ended December 31, 2009 and 2008.

Audit Committee Report

Management is responsible for the Company’s internal controls, financial reporting process and compliance with laws and regulations and ethical business standards. The independent auditor is responsible for performing an independent audit of the Company’s consolidated financial statements in accordance with generally accepted auditing standards and issuing a report thereon. The Audit Committee’s responsibility is to monitor and oversee these processes on behalf of the Board of Directors.

In this context, the Audit Committee has reviewed and discussed with management and the independent auditors the audited financial statements. The Audit Committee has discussed with the independent auditors the matters required to be discussed by Auditing Standards No. 61, as amended (*Professional Standards*). In addition, the Audit Committee has received from the independent auditors the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant’s communications with the Audit Committee concerning independence and discussed with them their independence from the Company and its management. Moreover, the Audit Committee has considered whether the independent auditor’s provision of other non-audit services to the Company is compatible with maintaining the auditor’s independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2009, for filing with the Board of Governors of the Federal Reserve System. By recommending to the Board of Directors that the audited financial statements be so included, the Audit Committee is not opining on the accuracy, completeness or presentation of the information contained in the audited financial statements.

Audit Committee

Charles F. Dawson, Chairman
Walter B. Hurley, Jr.
Joseph F. Fary

Pre-Approval Policies

All audit related services, tax services and other services were pre-approved by the Audit Committee, which concluded that the provision of such services by Yount, Hyde & Barbour, P.C. was compatible with the maintenance of that firm’s independence in the conduct of its auditing functions. The Audit Committee’s Charter provides for pre-approval of audit, audit-related and tax services.

PROPOSALS FOR 2011 ANNUAL MEETING OF SHAREHOLDERS

Any shareholder desiring to make a proposal to be acted upon at the 2011 annual meeting of shareholders must cause such proposal to be received, in proper form, at the Company's principal executive offices at 6720 Sutton Road, Gloucester, Virginia, 23061, no later than December 17, 2010, in order for the proposal to be considered for inclusion in the Company's Proxy Statement for that meeting. The Company presently anticipates holding the 2011 annual meeting of shareholders on May 10, 2011.

The Company's Bylaws also prescribe the procedure that a shareholder must follow to nominate directors or to bring other business before shareholders' meetings outside of the proxy statement process. For a shareholder to nominate a candidate for director or to bring other business before a meeting, notice must be received by the Company not less than 60 nor more than 90 days before the date of the 2011 annual meeting of shareholders. Based upon an anticipated date of May 10, 2010 for the 2011 annual meeting of shareholders, the Company must receive any notice of nomination or other business no later than March 11, 2011 and no earlier than February 9, 2011. Notice of a nomination for director must describe various matters regarding the nominee and the shareholder giving the notice. Notice of other business to be brought before the meeting must include a description of the proposed business, the reasons therefor, and other specified matters. Any shareholder may obtain a copy of the Company's Bylaws, without charge, upon written request to the Secretary of the Company.

OTHER MATTERS

THE COMPANY'S 2009 ANNUAL REPORT TO SHAREHOLDERS, INCLUDING FINANCIAL STATEMENTS, IS BEING MAILED TO SHAREHOLDERS WITH THIS PROXY STATEMENT. A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009 (EXCLUDING EXHIBITS), AS FILED WITH THE FEDERAL RESERVE, MAY BE OBTAINED WITHOUT CHARGE BY WRITING TO KENNETH E. SMITH, WHOSE ADDRESS IS P. O. BOX 2120, GLOUCESTER, VA 23061. THE ENTIRE FORM 10-K, INCLUDING EXHIBITS, IS AVAILABLE ON THE COMPANY'S WEBSITE, WWW.COLONIALVABANK.COM, UNDER INVESTOR RELATIONS. THE ANNUAL REPORT IS NOT PART OF THE PROXY SOLICITATION MATERIALS.

Appendix A

Colonial Virginia Bank

EXECUTIVE COMMITTEE CHARTER

Purpose

The Executive Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Colonial Virginia Bank (the "Company") to exercise the powers and authority of the Board to direct the business and affairs of the Company in intervals between meetings of the Board.

Authority and Responsibilities

1. The Committee shall have the authority to exercise all powers and authority of the Board, including without limitation the powers and authority enumerated in the Bylaws of the Bank, excepting:

   (a) The submission to stockholders of any action requiring the approval of stockholders by law;

   (b) The creation or filling of vacancies on the Board;

   (c) The adoption, amendment or repeal of the Bylaws;

   (d) The amendment or repeal of any resolution of the Board that by its terms is amendable or repealable only by the Board;

   (e) Actions on matters committed by the Bylaws or resolution of the Board to another committee of the Board;

   (f) Approval of a transaction in which any member of the Committee directly or indirectly, has any material beneficial interest; and

   (g) Issuance of additional stock of the Bank or fixing or determining the designation and the rights and preferences of any series of stock.

Membership

The Committee shall be appointed by the Board and consist of at least four non-employee Director members who are independent as defined in the NASDAQ Stock Market, Inc. listing standards as approved by the Securities and Exchange Commission. The Board may appoint at large members from the Board to attend and participate on a rotating basis. Except for vacancies and new members, members of the Committee shall be appointed for one-year terms, coinciding with the annual organization meeting of the Board.

The Chairman of the Board shall chair the Executive Committee and may also appoint a Vice-Chairman.

Meetings

Except as otherwise required by the Bylaws or the Certificate of Incorporation of the Company, a majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee.

The Chairman of the Committee shall be responsible for scheduling all meetings of the Committee and providing the Committee with a written agenda for each meeting. The Chairman of the Committee, or in his absence the Vice Chairman, shall preside at the meetings of the Committee. In the absence of both the Chairman and the Vice Chairman, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting.

All actions of the Committee shall be reported to the Board at the next regular meeting of the Board. The Secretary or an Assistant Secretary of the Company shall keep the minutes of the Committee, which shall be distributed to all Board members.

The Committee may adopt such other rules and regulations for calling and holding its meetings and for the transaction of business at such meetings as is necessary or desirable and not inconsistent with the provisions of the Bylaws or this Charter.

Miscellaneous

1. The Committee shall review and reassess the adequacy of this Charter and the composition of the Committee annually and recommend any proposed changes to the Board for approval.
2. The Committee shall also act as the Compensation Committee and as such, will be responsible for:

    a) The Committee shall have the sole authority to retain and terminate any legal counsel or compensation or other consultant to be used to assist in the evaluation of director or executive compensation and shall have sole authority to approve consultant’s fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors and the sole authority to approve the payment of the advisor’s fees and other retention items. All fees and other retention items for compensation consultants, internal or external legal, accounting or other advisors shall be paid by the Company.

    b) *The Chief Executive Officer*. The Committee shall consider corporate goals and objectives relevant to the Chief Executive Officer’s compensation. In determining the Chief Executive Officer’s compensation, the Committee should consider the Company’s performance metrics, the value of similar incentive awards to the chief executive officers at comparable companies, and the awards given to the Company’s Chief Executive Officer in past years. The Committee is responsible for ANNUALLY reviewing the performance of the President/CEO and recommending to the Board changes, if any, in the CEO’s compensation package. The Committee shall make recommendations to the Board for approval, amendment or termination for the Chief Executive Officer of the Company the following compensation levels based on the annual evaluation: (i) annual base salary level, (ii) annual incentive opportunity level, (iii) the long-term incentive opportunity level, (iv) employment agreements or severance arrangements, and (v) any special or supplemental benefits. The Committee shall make an annual report to the Board on emergency as well as expected CEO succession planning. The full Board will work with the Committee to recommend and evaluate potential successors to the CEO. The CEO should at all times make available his or her recommendations and evaluation of potential CEO successors, along with a review of any development plans recommended for such individuals.

c) *Other Executives.* The Committee shall, in consultation with the Chief Executive Officer, annually review and make recommendations to the Board to approve, amend or terminate for the executives of the Company, other than the Chief Executive Officer, (i) annual base salary level, (ii) the annual incentive opportunity level, (iii) the long-term incentive opportunity level, (iv) employment agreements or severance agreements, and (v) any special or supplemental benefits.

d) *Directors.* The Committee shall make recommendations to the Board to approve, amend or terminate for directors (i) the annual compensation, and (ii) any additional compensation for service on committees of the Board, service as a committee chairman, service as presiding director of the executive sessions of the Board, meeting fees or any other benefits payable by virtue of the director's position as a member of the Board of Directors.

e) *Compensation and Benefit Plans*. The Committee shall make recommendations to the Board to approve, amend or terminate incentive-compensation plans, any qualified equity-based plans, and any tax-qualified plan. The Committee may also recommend appointment and removal of various plan Trustees, appointment and removal of members of any Administrative Committee and appointment and removal of any Plan Administrator.

f) The following shall also be presented to the Board for approval: (i) any action, including, but not limited to, the adoption or amendment of any non-qualified equity compensation plan, that is required by law or regulation to be submitted to the stockholders of the Company for approval, and (ii) any approval, amendment or termination of change in control agreements/provisions related to the directors or officers of the Company. In the event the recommendation of the Committee is not approved by the Board, the recommended action must be returned to the Committee for further consideration. Any future Committee recommendation regarding such item must, again, be presented to the Board for its approval. For the purpose of this Charter, a "non-qualified equity compensation plan" shall mean any plan that does not meet the requirements of Section 401(a) or 423 of the Internal Revenue Code, as amended or the definition of an "excess benefit plan" within the meaning of Section 3(36) of the Employee Retirement Security Act.

g) *Competitive Compensation Position.* The Committee shall annually review market data to asses the Company's competitive position for each component of executive compensation (especially base salary, annual incentives, long-term incentives, and supplemental executive benefit programs) by reviewing market data for appropriate peer companies.

h) *Cash Effect.* The Committee shall monitor the cumulative cash effect on the Company caused by bonus and other cash-based incentive plans of the Company, especially in relation to the Company’s net income for the applicable year(s).

i) *Stock Ownership Policy.* The Committee shall establish and monitor the stock ownership policy with regard to the officers and directors of the Company and monitor compliance with this policy.

3. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance. The results of such self-assessment shall be presented to the Board of Directors at its next meeting.

Nothing in this Charter shall be deemed to amend the provisions of the Bylaws with respect to this Committee or other committees of the Board absent a separate resolution of the Board expressly amending the Bylaws.

Appendix B

Colonial Virginia Bank

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

COMMITTEE'S PURPOSE

The Nominating and Corporate Governance Committee (the "Committee") is appointed by the Board of Directors (the "Board") to assist the Board in identifying qualified individuals to become directors, recommend to the Board qualified director nominees for election at the stockholders' annual meeting, determine membership on the Board committees, recommend corporate governance guidelines and oversee annual self-evaluations by the Board. The Board will evaluate the Nominating and Corporate Governance Committee annually.

COMMITTEE MEMBERSHIP

The Committee members shall be appointed, and may be replaced, by the Board. The Committee shall consist of no fewer than three independent directors. All non-employee members of the Committee shall meet the independence standards of the NASDAQ Stock Market, Inc. listing standards as approved by the Securities and Exchange Commission. Determination of independence shall be made by the Board in the exercise of its business judgment. The Board shall appoint the Chairman of the Committee.

MEETINGS

The Committee shall meet as often as necessary to carry out its responsibilities. Any Committee member may request the Chairman of the Committee to call a meeting. The Chairman of the Committee shall report on any Committee meeting held at the next regularly scheduled Board meeting following the Committee meeting. The Committee will keep minutes of each of its meetings.

COMMITTEE GOALS AND RESPONSIBILITIES

1. The Committee shall evaluate the size and compensation of the Board, develop criteria for Board membership and evaluate the independence of existing and prospective directors.

2. The Committee shall recommend to the Board director nominees for election at the stockholders' annual meeting and shall take into account potential director nominees proposed by stockholders.

3. Prior to nominating an existing director for re-election to the Board, the Committee shall consider and review with respect to each existing director:
    a. Board and committee meeting attendance and performance;
    b. Length of Board service;
    c. experience, skills and contributions that the existing director brings to the Board;
    d. independence; and

e. any significant change in status.

4. In the event that a director vacancy arises, the Committee shall seek and identify a qualified director nominee to be recommended to the Board for either appointment by the Board to serve the remainder of the term of the director position that is vacant or election at the stockholders' annual meeting.

5. A director nominee shall meet such director qualifications as may from time to time be established by the Board, including that the director nominee possess personal and professional integrity, has good business judgment, relevant experience and skills and will be an effective director in conjunction with the full Board in collectively serving the long-term interests of the Company's stockholders.

6. The Committee shall have the sole discretion and authority to retain any search firm to assist in identifying director candidates, retain outside counsel and/or any other internal or external advisors and approve all related fees and retention terms.

7. The Committee shall recommend to the Board for its approval corporate governance guidelines. The Committee will review annually the Company's corporate governance guidelines practices and recommend any proposed changes to the Board for approval.

8. The Committee shall develop with management and monitor the process of orienting new directors and continuing education for existing directors.

9. Any concerns regarding non-financial matters that are reported pursuant to the Company's anonymous reporting system that the Audit Committee refers to the Committee shall be reviewed and investigated by the Committee.

10. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.