(4) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be preserved in the Bank.

ARTICLE IX

CRITICIZED ASSETS

(1) The Bank shall take prompt and continuing action to protect its interest in those assets criticized by the Comptroller, by internal or external loan review, or in any list subsequently provided to management by the Comptroller during any review.

(2) No later than September 30, 2008, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program designed to eliminate the basis of criticism of assets criticized by the Comptroller, or by any internal or external loan review, or in any list subsequently provided to management by the Comptroller during any review, as "doubtful," "substandard," or "special mention." This program shall include, at a minimum:

(a) an identification of the expected sources of repayment;

(b) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable;

(c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations; and

(d) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment.

(3) The Board, or a designated committee, shall conduct a review, on at least a quarterly basis, to determine:

(a) the status of each criticized asset or criticized portion thereof that equals or exceeds five hundred thousand dollars ($500,000);

(b) management's adherence to the program adopted pursuant to this Article;

(c) the status and effectiveness of the written program; and

(d) the need to revise the program or take alternative action.

(4) A copy of each review shall be forwarded to the Assistant Deputy Comptroller.

(5) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized by the Comptroller, in any internal or external loan review, or in any list subsequently provided to management by the Comptroller during any review, and whose aggregate loans or other extensions exceed five hundred thousand dollars ($500,000) only if each of the following conditions is met:

(a) the Board or designated committee finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing, extending or capitalizing any additional credit, a majority of the full Board (or designated committee) approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank; and

(b) a comparison to the written program adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized asset will not be compromised.

(6) A copy of the approval of the Board or of the designated committee shall be maintained in the file of the affected borrower.

ARTICLE X

LIQUIDITY

(1) The Board shall ensure that the Bank maintains liquidity at a level that is sufficient to sustain the Bank's current operations and to withstand any anticipated or extraordinary demand against its funding base. Such actions may include, but are not necessarily limited to:

(a) selling assets;

(b) maintaining a line of credit at the Federal Home Loan Bank or the Federal Reserve Bank;

(c) obtaining lines of credit from correspondent banks;

(d) recovering charged-off assets; and

(e) injecting additional equity capital.

(2) The Board shall review the Bank's liquidity on a monthly basis. Such reviews shall consider:

(a) a maturity schedule of certificates of deposit, including large uninsured deposits;

(b) the volatility of demand deposits, including escrow deposits;

(c) the amount and type of loan commitments outstanding;

(d) an analysis of the continuing availability and volatility of present funding sources;

(e) an analysis of the impact of cash flow from the Bank's loan portfolio resulting from delinquent and non-performing loans;

(f) an analysis of the impact of decreased cash flow from the sale of loans or loan participations; and

(g) the risk from brokered deposits.

(3) The Board shall take appropriate action to ensure adequate sources of liquidity in relation to the Bank's needs. Monthly reports shall set forth liquidity requirements and sources and establish a contingency plan. Copies of these reports shall be forwarded to the Assistant Deputy Comptroller.

ARTICLE XI

INFORMATION TECHNOLOGY

(1) The Board shall promptly take all steps necessary to improve the management of the Bank's Information Technology ("IT") activities and to correct each deficiency cited by the Comptroller.

(2) No later than October 31, 2008, the Board shall develop, implement, and thereafter adhere to a written, well-documented, risk-based, internal IT audit program. At a minimum, the IT audit program shall be performed by an independent and qualified party, and shall include fundamental elements of a sound audit program as described in the "Audit" booklet of the *FFIEC Information Technology Examination Handbook*.

(3) No later than October 31, 2008, the Board shall ensure adherence to a revised and comprehensive written information security program to ensure the safety and soundness of its operations and to support the Bank's efforts to comply with 12 C.F.R. Part 30, Appendix B, Safeguarding Customer Information. The information security program shall include administrative, technical, and physical safeguards to protect the security, confidentiality, and

integrity of customer information. The information security program shall be consistent with the security process described in the "Information Security" booklet of the *FFIEC Information Technology Examination Handbook*. At a minimum, the revised information security program shall include:

(a) the identification of reasonably foreseeable internal and external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or customer information systems;

(b) an assessment of the likelihood and potential damage of these threats, taking into consideration the sensitivity of customer information;

(c) a process to monitor and control the identified risks, commensurate with the sensitivity of the information as well as the complexity and scope of bank activities; and

(d) a test plan that provides for regular testing of key controls, systems and procedures of its information security program. The frequency and nature of such tests shall be determined by the risk assessment. Such tests shall be conducted or reviewed by independent third parties or staff independent of those who develop or maintain the information security program.

(4) No later than October 31, 2008, the Board shall develop, implement, and thereafter adhere to, a written program to oversee and manage risks associated with outsourcing technology services to third party servicers, including technology service providers and vendors. This third party management program shall be consistent with OCC Bulletin 2001-47, "Third Party Relationships," dated November 1, 2001, and OCC Advisory Letter 2000-12, "Risk Management of Outsourcing Technology Services" dated November 28, 2000.

(5) No later than October 31, 2008, the Board shall develop and implement a formal enterprise-wide business continuity process that complies with the requirements set forth in the "Business Continuity Planning" booklet of the *FFIEC Information Technology Examination Handbook*. At a minimum, the business continuity process shall include:

(a) a business impact analysis that includes:

(i) the identification of the potential impact of uncontrolled, non-specific events on the institution's business processes and its customers; and

(ii) an estimation of the maximum allowable downtime and acceptable levels of data, operations, and financial losses.

(b) a risk assessment process that includes:

(i) the prioritization of potential business disruptions based upon severity and likelihood of occurrence;

(ii) a gap analysis comparing the institution's existing business resumption plans, if any, to what is necessary to achieve recovery time and point objectives; and

(iii) an analysis of threats based upon the impact on the institution, its customers, and the financial markets, not just the nature of the threat.

(c) a risk management process that includes the development of a written, enterprise-wide business continuity plan (BCP); and

(d) a risk monitoring process that includes:

(i) testing of the BCP on at least an annual basis;

(ii) independent audit and review of the BCP; and

(iii) updating the BCP based upon changes to personnel and the internal and external environments.

(6) The Board shall provide a quarterly written progress report on each of the requirements of this Article to the Assistant Deputy Comptroller.

ARTICLE XII

CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Assistant Deputy Comptroller, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through its authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(6) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

(7) The Bank is a wholly-owned subsidiary of Vineyard National Bancorp. The Annual Meeting of Shareholders of Vineyard National Bancorp to be held on August 5, 2008, may result in a change of the directors of the Bank who shall be obligated to comply with this Order.

IT IS SO ORDERED, this 22 day of July, 2008.

Steven J. Vander Wal
Assistant Deputy Comptroller
Western District

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of:	)
Vineyard Bank, N.A.	)
Corona, California	)

STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller") intends to initiate cease and desist proceedings against Vineyard Bank, N.A., Corona, California ("Bank") pursuant to 12 U.S.C. § 1818(b) for unsafe and unsound banking practices.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated _____ ("Order");

In consideration of the above premises, the Comptroller, through its authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

Article I

Jurisdiction

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

(2) The Comptroller is "the appropriate Federal banking agency" regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(3) The Bank is an "insured depository institution" within the meaning of 12 U.S.C. § 1818(b)(1).

(4) This Order shall cause the Bank not to be designated as an "eligible bank" for purposes of 12 C.F.R. § 5.3(g), unless otherwise informed in writing by the Comptroller.

Article II

Agreement

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller.

(2) The Bank further agrees that said Order shall be deemed an "order issued with the consent of the depository institution" as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i). Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(3) The Bank also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(4) The Bank is a wholly-owned subsidiary of Vineyard National Bancorp. The Annual Meeting of the Shareholders of Vineyard National Bancorp to be held on August 5,

2008, may result in a change of the directors of the Bank who shall be obligated to comply with this Order.

Article III

Waivers

(1) The Bank, by signing this Stipulation and Consent, hereby waives:

(a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);

(b) any and all procedural rights available in connection with the issuance of the Order;

(c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19

(d) all rights to seek any type of administrative or judicial review of the Order; and

(e) any and all rights to challenge or contest the validity of the Order.

Article IV

Other Action

(1) The Bank agrees that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as its representative, has hereunto set his hand on behalf of the Comptroller.

Steven J. Vander Wal
Assistant Deputy Comptroller
Western District

Date 7/22/08

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

Frank S. Alvarez	7-22-08 Date
David Buxbaum	7/22/08 Date
Charles J. Keagle	7/22/08 Date
James G. LeSieur	7/22/08 Date
Robb Quincey	07.22.08 Date
Joel H. Ravitz	7/22/08 Date