



**Supervisory Condition Letter #2015-09  
November 2015**

August 27, 2015

Gene Taylor  
Chairman, Chief Executive Officer, and President  
Capital Bank, National Association  
4725 Piedmont Drive, Suite 110  
Charlotte, NC 28210

**Re: Termination of Operating Agreement**

Dear Mr. Taylor:

The Office of the Comptroller of the Currency (“OCC”) received a request from Capital Bank, National Association, Coral Gables, Florida, (“Bank”) dated July 23, 2015, to terminate the Operating Agreement between the Bank and the OCC dated August 24, 2010 (“2010 Operating Agreement”).

The OCC hereby approves the Bank’s request to terminate the 2010 Operating Agreement. The 2010 Operating Agreement is terminated effective as of the date of this letter. This approval is subject to the following conditions:

1. The Bank’s Board of Directors (“Board”) shall ensure that the Comprehensive Business Plan (“Plan”) is updated annually to cover the next three (3) year period (“updated Plan”). The updated Plan shall include at a minimum:
  - a. the Bank’s growth or expansion plans and short- and long-term merger or acquisition strategy; and
  - b. a financial forecast, on a quarterly basis, for major balance sheet and income statement accounts, cash flow statements, specific earnings and profit goals, and desired financial ratios over the period covered by the updated Plan.
2. The Bank shall not adopt the updated Plan until the Bank has submitted the updated Plan to the OCC for a prior written determination of no supervisory objection and received OCC supervisory non-objection.

3. Once the Bank receives the prior written determination of no supervisory objection from the OCC, the Bank shall adopt, implement, and thereafter adhere to the updated Plan.
4. Once the updated Plan is adopted, the Bank shall not make a material change to or significantly deviate<sup>1</sup> from the updated Plan unless the Bank has first given the OCC at least sixty (60) days prior written notice of its intent to do so, and obtained the OCC's prior written determination of no supervisory objection to such action.

These conditions of approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

This conditional approval, and the activities and communications by OCC employees in connection with the Bank's request and this OCC action, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions concerning this matter, please contact National Bank Examiner Darin Bird at (704) 350-8300 or Assistant Deputy Comptroller William Russell at (202) 649-7157.

Sincerely,

/s

William D. Haas  
Deputy Comptroller  
Midsize Bank Supervision

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<sup>1</sup> For purposes of these conditions, material changes or significant deviations include, but are not limited to, any significant deviations from or material changes consistent with the description provided in Appendix G (Significant Deviations After Opening) of the "Charters" booklet of the *Comptroller's Licensing Manual* (February 2009) and include, in particular, growth in the Bank's asset size that is more than twenty percent (20%) greater than the projected growth set out in the most recent Plan for which the Bank has received prior written determination of no supervisory objection from the OCC or that materially varies in such other measure of asset size change as the OCC sets in the OCC's sole judgment.