



---

**Comptroller of the Currency  
Administrator of National Banks**

---

Licensing Operations  
Southern District Office  
1600 Lincoln Plaza  
500 North Akard  
Dallas, Texas 75201-3323

January 23, 2004

**Conditional Approval #621  
February 2004**

Mr. Steven Harper, Spokesperson  
Brazos Valley Bank, N.A. (Proposed)  
2704 Windwood Drive  
College Station, Texas 77845

Re: Application to Charter Brazos Valley Bank, N.A., College Station, Texas;  
Control Number 2003-SW-01-0007

Dear Mr. Harper:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Brazos Valley Bank, National Association. On January 23, 2004 the OCC granted preliminary conditional approval of your charter application after a determination that your proposal met certain regulatory and policy requirements.

This preliminary conditional approval is granted based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the application and by the proposed bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed Bank will apply for Federal Reserve membership and will obtain deposit insurance from the Federal Deposit Insurance Corporation (FDIC).

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open will not be granted until all pre-opening requirements are met. Until final approval is granted, the OCC has the right to alter, suspend, or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following condition:

1. The Bank: (i) shall give the Houston East Field Office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its business plan or

operations<sup>1</sup> and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. For the first three years of operation, the Bank also must provide a copy of such written notice to the FDIC's Dallas, Texas Regional Supervisory Office.

This condition of approval is a condition "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

The Bank's initial paid-in capital, net of all organizational and pre-opening expenses, shall be no less than \$5 million. The manner in which capital is raised must not deviate from that described in the business plan without prior written OCC notification. If the capital for the Bank is not raised within 12 months or if the Bank is not opened for business within 18 months from the preliminary conditional approval date, this approval expires. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant's control. The organizers are expected to proceed diligently, consistent with their application, for the Bank to open for business as soon as possible.

The OCC poses no objection to the following persons serving as executive officer, directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Proposed Position</u>
Steven D. Harper	Organizer/Chief Executive Officer
Ted Whitmer	Organizer/Chairman of the Board
Arthur L. Wright	Organizer/Director
Wade W. Whitmer	Organizer/Director
Scott P. Stephens	Organizer/Director
Gerald A. Teel	Organizer/Director

Prior to the Bank's opening, the Bank must obtain the OCC's prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position. For a two-year period after the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

Background checks requested by the OCC have not been received yet from several sources for proposed Chief Financial Officer William Wantuck, and the OCC is still awaiting information to

---

<sup>1</sup> If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

begin the background investigation of proposed Board Member James D. Martin, III. Accordingly, the ability for these individuals to serve in their respective capacities will be dependent on satisfactory completion of the background investigation process.

The OCC also granted your request to waive the residency requirements of 12 U.S.C. § 72 for Wade Whitmer, M.D., and Gerald Teel to serve as members of the board of directors of the Bank. This waiver is granted based upon a review of all available information, including the filing and any subsequent correspondence and telephone conversations, and the Bank's representation that this waiver will not affect the board's responsibility to direct the Bank's operations in a safe, sound, and legal manner. The OCC reserves the right to withdraw or modify this waiver and, at its discretion, to request additional information at any time in the future.

The "Corporate Organization" booklet in the *Comptroller's Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC's web site:  
[www.occ.treas.gov/corpbook/group1/public/pdf/corporg.pdf](http://www.occ.treas.gov/corpbook/group1/public/pdf/corporg.pdf).

The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the Bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to Licensing Analyst Abel Reyna in this office for our review and acceptance. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not begin the business of banking until you fulfill all requirements for a bank in organization and the OCC grants final approval.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements before it is allowed to commence business, and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

In addition to the standard requirements for all new national banks, the following special requirements must be satisfied prior to the Bank's request for a pre-opening examination and before the OCC will grant final charter approval:

1. The receipt and no OCC objection to an independent, third party assessment of market lease rates for the proposed lease agreement with organizing directors;
2. The approval by a majority of Bank directors to the terms and conditions of the proposed lease agreement;
3. The receipt of satisfactory information pertaining to all financing arrangements associated with the organizers' purchase of stock of the Bank;
4. The completion of Director training; and

Mr. Steven Harper  
January 23, 2004  
Page 4

5. The satisfactory addition of the proposed Chief Financial Officer, another outside Board member with banking experience, and an experienced Senior Loan Officer.

It was previously represented the bank would not engage in transactional web site activities. Should this plan change it would constitute a significant change as described in this letter. This change would require further OCC review and information prior to the Bank obtaining final approval. In the event the bank desires a transactional web site to promote additional customer service, please contact Licensing Analyst Abel Reyna for additional information.

Under separate cover, the OCC will send you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the *Comptroller's Licensing Manual*, which is available only in electronic form at our web site: <http://www.occ.treas.gov/corpapps/corpapplic.htm>.

This preliminary conditional approval, and the activities and communications by OCC employees in connection with the filing, 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.

You should direct any questions concerning this preliminary conditional approval to Licensing Analyst Abel Reyna, Jr. or me at (214) 720-7052. A separate letter is enclosed requesting your comments so that we may improve our performance.

Yours truly,

**-signed-**

Karen H. Bryant  
Licensing Manager

Enclosures: Survey Letter  
Minimum Policies and Procedures  
Standard Requirements