



February 13, 2018

Supervisory Condition Letter #2018-01
March 2018

Board of Directors
South County Bank, N.A.
22342 Avenida Empresa
Rancho Santa Margarita, CA 92688

Subject: Termination of Supervisory Condition Letter #2017-01

Dear Members of the Board:

In a letter dated May 19, 2016, the OCC imposed a condition on the termination of the bank's 2011 Consent Order that required the bank to enter into an Operating Agreement with the OCC. This was a condition "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 USC 1818. The OCC has determined that this supervisory condition is no longer necessary, and thus, is hereby terminated.

If you have questions, please contact Special Counsel Chris Montanaro at (720) 475-7630 or me at (714) 796-4700.

Sincerely,

/s

Cindy Coleman
Acting Assistant Deputy Comptroller